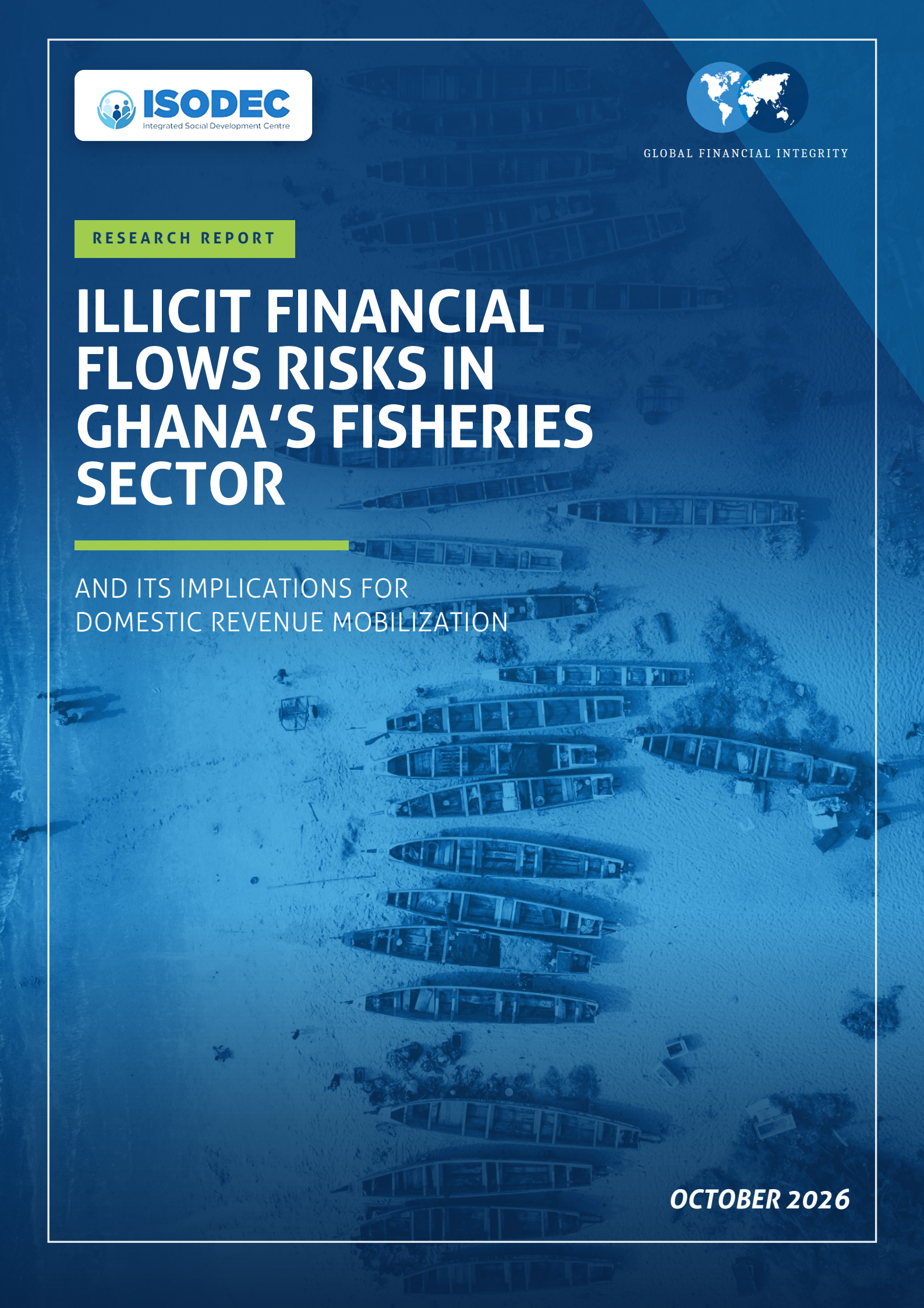
ISODEC
Integrated Social Development Centre

GLOBAL FINANCIAL INTEGRITY

RESEARCH REPORT

ILLICIT FINANCIAL FLOWS RISKS IN GHANA'S FISHERIES SECTOR

AND ITS IMPLICATIONS FOR DOMESTIC REVENUE MOBILIZATION



OCTOBER 2026

Illicit Financial Flows Risks in Ghana's Fisheries Sector

and Its Implications for
Domestic Revenue Mobilization

Charlotte Kpogli & Dr. Adamu Braimah Abille

October 2026

ISODEC
Integrated Social Development Centre

Global Financial Integrity

ACKNOWLEDGEMENTS

This report is in line with the Terms of Reference (ToR) to conduct a study on the "Illicit Financial Flows Risks in Ghana's Fisheries Sector and Its Implications on Domestic Revenue Mobilization in Ghana."

This report is produced at the request of Global Financial Integrity (GFI) as part of the "Project Illicit Financial Flows Reduced and Domestic Resource Mobilization Increased in Targeted Countries" financed by Norwegian Agency for Development Cooperation (NORAD). It was prepared independently by ISODEC's research team, comprising Charlotte Kpogli (Project Lead) and Dr. Adamu Braimah Abille. It was prepared under the direction of Mr. Samson Salifu Danse, the Executive Director of ISODEC.

ISODEC extends its deepest gratitude to Global Financial Integrity for its generous funding support, which made this study possible. Their commitment to promoting corporate, natural resource, and professional integrity has been instrumental in producing this report.

We also wish to acknowledge the invaluable contributions of the participants from diverse sectors, particularly respondents from the fishing communities, CSOs, and the high level officials. Your insights, expertise, and active engagement were crucial in ensuring the comprehensiveness and accuracy of the report. Your dedication to enhancing transparency and accountability in the Fisheries sector is greatly appreciated.

Research Team

Charlotte Kpogli, Project Lead
Dr. Adamu Braimah Abille

Direction

Mr. Samson Salifu Danse
Executive Director, ISODEC

Reviewers

Maxwell Kuu-ire, Policy Analyst, West Africa, GFI
Philip Nyakundi, Policy Director, Africa, GFI

Design

Dennis Kabia, Communications Associate, Africa, GFI

Prepared for

Global Financial Integrity (GFI)

Funded by

Norwegian Agency for Development Cooperation (NORAD)

Image credits

Images used are under Magnific free picture licensing.

TABLE OF CONTENTS

Abbreviations 5

Executive Summary 6

Key Recommendations 7

1. INTRODUCTION 8

1.1 Context and overview 8
1.2 Aim and objectives of the study 9
1.3 Brief importance and contribution to the economy 9
1.4 Fisheries Sector IFFs vulnerabilities and implications on DRM 11
1.5 Structure and scope of the Report 12

2. REVIEW OF EXISTING FRAMEWORKS, POLICIES, AND IFFS RISKS IN GHANA'S FISHERIES SECTOR 14

2.1 Introduction 14
2.2 Existing frameworks and policies in Ghana's fisheries sector 14
2.3 The fiscal regimes in Ghana's fisheries sector 15
2.4 Policies aimed at reducing IFFs in the fisheries sector 17
2.5 Inadequacies in existing Policies that create IFF vulnerabilities 18

3. OVERVIEW OF ILLICIT FINANCIAL FLOWS RISKS AND OPPORTUNITIES FOR DOMESTIC REVENUE MOBILIZATION IN THE FISHERIES VALUE CHAIN 24

3.1 Introduction 24
3.2 Conceptualization, Definition, and Types 24
3.3 Gaps in Conceptualization and Definition of IFFs 24
3.4 Tailored Conceptualization of IFFs for Ghana's fisheries sector 27

4. RESEARCH METHODOLOGY 31

4.1 Introduction 31
4.2 Research Design 31
4.3 Data Sources and Collection Methods 32
4.4 Sampling Strategy 33
4.5 Data Analysis 33
4.6 Study Limitations 34

5. ANALYSIS OF ILLICIT FINANCIAL FLOWS ALONG GHANA'S FISHERIES VALUE CHAIN 36

5.1 Introduction 36
5.2 Value Chain Mapping of Ghana's Fisheries Sector 36
5.3 IFF Vulnerabilities in the Capture and Landing Phase 37
5.4 IFF Vulnerabilities in Processing and Transhipment 39
5.5 IFFs due to Gaps in Trade Reporting in the Fisheries Value Chain 43
5.6 Quantitative Estimation of IFF-Related Revenue Losses 45
5.7 Summary 45

6. SUMMARY OF FINDINGS AND POLICY RECOMMENDATIONS 48

6.1 Summary of Findings 48
6.2 Policy Recommendations 50
6.3 Conclusion 55

REFERENCES 57

ABBREVIATIONS

ACEP	Africa Centre for Energy Policy
ADR	Alternative Dispute Resolution
AFS	WTO Agreement on Fisheries Subsidies
AIS	Automatic Identification System
ATLAFCO	Ministerial Conference on Fisheries Cooperation among African States Bordering the Atlantic Ocean
BoG	Bank of Ghana
CDS	Catch Documentation Scheme
CECAF	Fishery Committee for the Eastern Central Atlantic
CIT	Corporate Income Tax
CSO	Civil Society Organisation
DRM	Domestic Revenue Mobilization
ECOWAS	Economic Community of West African States
EEZ	Exclusive Economic Zone
EJF	Environmental Justice Foundation
EOCO	Economic and Organised Crime Office
EU	European Union
FAO	Food and Agriculture Organization
FCWC	Fisheries Committee for the West Central Gulf of Guinea
FEU	Fisheries Enforcement Unit
FIC	Financial Intelligence Centre
FiTI	Fisheries Transparency Initiative
GDP	Gross Domestic Product
GFI	Global Financial Integrity
GRA	Ghana Revenue Authority
GRT	Gross Registered Tonnage
GSS	Ghana Statistical Service
ICCAT	International Commission for the Conservation of Atlantic Tunas
ICR	Implementation Completion and Results Report
IEZ	Inshore Exclusive Zone
IFF	Illicit Financial Flows
IMF	International Monetary Fund
ISODEC	Integrated Social Development Centre
IUU	Illegal, unreported, and unregulated
MAOC (N)	Maritime Analysis and Operations Centre (Narcotics)
MCS	Monitoring, Control and Surveillance
MGO	Marine Gas Oil
MoFAD	Ministry of Fisheries and Aquaculture Development
MSG	Multi-Stakeholder Group
NORAD	Norwegian Agency for Development Cooperation
NPOA-IUU	National Plan of Action to Prevent, Deter and Eliminate IUU Fishing
OSP	Office of the Special Prosecutor
PSMA	FAO Port State Measures Agreement
PSRL	Price Stabilisation and Recovery Levy
RPOA-IUU	Regional Plan of Action to Prevent, Deter and Eliminate IUU Fishing
SDG	Sustainable Development Goal
UNCLOS	United Nations Convention on the Law of the Sea
UNFSA	UN Fish Stocks Agreement
UNODC	United Nations Office on Drugs and Crime
VMS	Vessel Monitoring System
VSLAs	Village Savings and Loans Associations
WARFP	West Africa Regional Fisheries Programme
WATF	West Africa Task Force
WTO	World Trade Organization

EXECUTIVE SUMMARY

I. Background

Ghana's fisheries sector is a cornerstone of the national economy and food security, contributing approximately 1.01% to GDP in 2023 and supporting the livelihoods of an estimated 10% of the population. However, the sector is in crisis. Fish stocks, particularly small pelagic species that sustain artisanal fishing communities, have declined by more than 80% over the past two decades. This decline is driven by overfishing, illegal, unreported, and unregulated (IUU) fishing, weak enforcement, corruption, and the persistent "saiko" transshipment trade, which enables industrial trawlers to illegally target the catch of small-scale fishers.

This study examines the risks of Illicit Financial Flows (IFFs) along Ghana's fisheries value chain and their implications for domestic revenue mobilization. Through a mixed-methods approach combining secondary data analysis from FAO statistics, World Bank reports, Environmental Justice Foundation investigations, and value chain studies, the research reveals substantial and persistent IFF vulnerabilities across the capture, processing, and export phases of the value chain.

US$39.2–72.4m	**>80%**	**~90%**	**~10%**
estimated IFF-related revenue losses every year	decline in small pelagic fish stocks over two decades	of the industrial trawl fleet beneficially owned by foreign interests	of Ghana's population depends on the sector for livelihoods

II. Key Findings

The study's key findings include:

- **IFF vulnerabilities along the value chain – capture.** In the capture phase, IUU fishing represents the most significant IFF channel. Investigations found that over 90% of crew witnessed the dumping of fish, over 80% observed illegal fishing in the Inshore Exclusion Zone, and over half observed deliberate manipulation of mesh sizes. The "saiko" trade persists despite bans, with fish now boxed and sold openly at Tema port, evading port controls and revenue collection. License fee under-collection costs Ghana an estimated US$6.4 million annually, compared to regional comparators such as Sierra Leone.
- **Processing.** In the processing phase, the saiko trade is valued at US$14.4–38.3 million annually in unreported economic activity, and human rights abuses on industrial trawlers, affecting 75–100% of Ghanaian crew, reduce operational costs while sustaining illegal operations.
- **Export.** In the export phase, approximately 90% of the industrial trawl fleet is beneficially owned by foreign interests through Ghanaian front companies, enabling the leakage of export revenues.
- **Quantified revenue losses.** The conservative combined estimate of IFF-related revenue losses is between US$39.2 million and US$72.4 million annually. This includes licence fee under-collection, IUU fishing revenue loss, saiko trade foregone tax, and cost-recovery deficit on fines.
- **Governance and enforcement gaps.** Critical gaps include weak enforcement, with out-of-court settlements reducing penalties; pervasive corruption, with most crew witnessing officials being bribed; opaque beneficial ownership; inadequate monitoring, control, and surveillance capacity; and political interference in enforcement. Despite Ghana scoring highly on implementing international fisheries instruments, the gap between policy and practice is substantial.

KEY RECOMMENDATIONS

Based on the findings, the study proposes fifteen policy recommendations across seven thematic areas:

Strengthen Legal Frameworks

Fully implement the Fisheries and Aquaculture Act, 2025 (Act 1146), review and strengthen penalties for fisheries offences, and mandate beneficial ownership disclosure with a public registry.



Enhance Monitoring, Control and Surveillance

Invest in electronic monitoring and surveillance technology, strengthen the fisheries observer programme with protection mechanisms, and improve inter-agency coordination through a fully operationalised Maritime Fusion Centre.



Combat Corruption

Establish a dedicated Fisheries Anti-Corruption Unit and enhance financial investigations and asset recovery frameworks.



Reform Premix Fuel Subsidy

Accelerate rollout of automated premix dispensing stations, ensure transparent accounting, and consider transitioning from in-kind subsidies to direct financial support to fisherfolk.



Strengthen Transparency

Implement Fisheries Transparency Initiative recommendations, systematically publish key fisheries information, and engage civil society as watchdogs.



Deepen Regional Cooperation

Strengthen partnerships with the Fisheries Committee for the West Central Gulf of Guinea, West Africa Task Force, and international bodies including INTERPOL and MAOC (N).



Enhance Domestic Revenue Mobilization

Review and harmonise fisheries taxation, strengthen the Catch Documentation Scheme, and accelerate implementation of the national Blue Economy Strategy.



Addressing IFFs in the fisheries sector requires a comprehensive approach that combines legal reforms, enhanced enforcement, anti-corruption measures, transparency initiatives, and regional cooperation. Success will depend on sustained political will, community participation, and continued investment in science, infrastructure, and innovation.

1 CHAPTER ONE INTRODUCTION

1.1 Context and overview

Ghana's fisheries sector has long been a pillar of its economy and food security, supporting coastal communities for centuries and making substantial contributions to national growth. Ghana has around 550 kilometres of coastline, a continental shelf of about 24,300 square kilometres, and a 225,000-square-kilometre Exclusive Economic Zone (EEZ). It also has abundant marine resources that support a broad and thriving fishing industry (BoG, 2008; FAO, 2016). The fisheries economy is divided into three subsectors: artisanal (canoe), semi-industrial (inshore), and industrial, each with a particular role in the country's fish supply chain and employing an estimated 10% of the population (MoFAD, 2022; World Bank, 2020).

Despite its historical importance and potential, Ghana's fisheries sector is in crisis. Fish stocks, particularly the small pelagic species that form the mainstay of the artisanal fleet, have been depleted to critical levels due to decades of overfishing, illegal, unreported, and unregulated (IUU) fishing, and excess fishing capacity (Fisheries Commission, 2022; Mutimukuru-Maravanyika et al., 2013). The contribution of fisheries to Ghana's Gross Domestic Product (GDP) has declined from approximately 6% in 1993 to around 1.1 % in recent years, reflecting both the sector's diminishing output and the broader structural challenges it faces (Fisheries Commission, 2022; GSS, 2022). This decline has transformed Ghana from a net fish exporter into a net importer, spending over US$200 million annually to meet the domestic fish supply deficit. This deficit is estimated at approximately 320,000 metric tons per year (MoFAD, 2022).

This decline has transformed Ghana from a net fish exporter into a net importer, spending over US$200 million annually.

The sector's vulnerabilities extend beyond ecological depletion to encompass significant governance failures that enable Illicit Financial Flows (IFFs). These flows manifest through multiple channels, including smuggling of fish across borders to evade taxes and export duties, corruption in the licensing and inspection of vessels, illegal transhipment at sea (locally known as "saiko"), under-reporting of catches to avoid fees and quotas, and systematic abuse of the subsidized premix fuel distribution system (Bonsu et al., 2018; FIC, 2024; Yakubu, 2022). The diversion of funds intended for fishing communities, amounting to GH₵27.7 million in recorded irregularities between 2017 and 2024, illustrates the scale of financial leakage that undermines both the sector's sustainability and the state's capacity to mobilize revenue (GhanaWeb, 2025; MoFAD, 2022).

The political economy of Ghana's fisheries sector is characterized by a state-capital nexus where powerful industrial operators, often with opaque beneficial ownership structures, exploit regulatory gaps with impunity. Foreign-owned trawlers, registered through Ghanaian shell companies, frequently violate fishing regulations while avoiding accountability, contributing to the marginalization of small-scale fishers and the depletion of marine resources (Adams, 2026; EJF, 2021). This pattern of impunity is reinforced by weak enforcement capacity, low license fees (US$35 per Gross Registered Tonne, compared to US$200 proposed in Sierra Leone), and a judicial system in which out-of-court settlements and reduced fines offer little deterrence to repeat offenders (Vondolia, 2018; World Bank, 2020).

The European Union's issuance of a "yellow card" warning to Ghana in 2013 and again in 2021 underscores the international dimension of these governance failures. The threat of trade sanctions, which could cost Ghana an estimated US$400 million annually in lost tuna exports, has prompted some reforms, including the installation of Vessel Monitoring Systems (VMS) on industrial vessels and the introduction of catch certification schemes (EJF, 2021). However, these measures have not been sufficient to address the systemic problems of corruption, political interference, and weak monitoring that characterize the sector (Mapedza et al., 2024).

Considering this, developing successful interventions to boost domestic revenue mobilization, strengthen sector governance, and guarantee the long-term viability of the nation's marine resources requires an understanding of the mechanisms and effects of IFFs in Ghana's fisheries sector. By offering a thorough examination of IFF vulnerabilities, actors, and pathways across the fisheries value chain, and by identifying opportunities to improve revenue collection and resource management, this study advances that understanding.

1.2 Aim and objectives of the study

The main goal of this research is to investigate the risks associated with Illicit Financial Flows (IFFs) within Ghana's fisheries value chain, with particular emphasis on their implications for domestic revenue mobilization. Consequently, the specific objectives include:

1. To provide a comprehensive analysis of the fisheries sector's vulnerabilities to IFFs.
2. To assess the current fiscal and regulatory frameworks and gaps, as well as revenue losses in Ghana's fisheries industry.
3. To identify the key enablers, actors, and mechanisms of IFFs across the fisheries value chain.
4. To evaluate opportunities to enhance DRM within the sector.

The aim is to provide insights to help policymakers, regulatory agencies, civil society organizations, and other stakeholders develop effective strategies to combat IFFs, sustainably grow Ghana's fisheries industry, and enhance the sector's contribution to national development.

1.3 Brief importance and contribution to the economy

Ghana's fisheries sector is a vital component of the national economy, contributing significantly to GDP, employment, foreign exchange earnings, and food security. Over the past decade, the sector has experienced significant production volatility, yet it remains a critical source of livelihoods for coastal communities and a key supplier of animal protein to the Ghanaian population.

The Marine capture fisheries production declined from approximately 323,617 metric tonnes in 2006 to around 202,000 metric tonnes in 2014, reflecting the impact of overfishing and stock depletion (FAO, 2016). While there was some stabilization in subsequent years, total production has struggled to recover to historical levels. Conversely, aquaculture production has grown substantially, increasing from 1,200 metric tonnes in 2005 to 38,500 metric tonnes in 2014, driven by government support and private sector investment in cage farming (FAO, 2016; Fisheries Commission, 2022). However, this growth has not compensated for the decline in capture fisheries, leaving a significant supply gap.

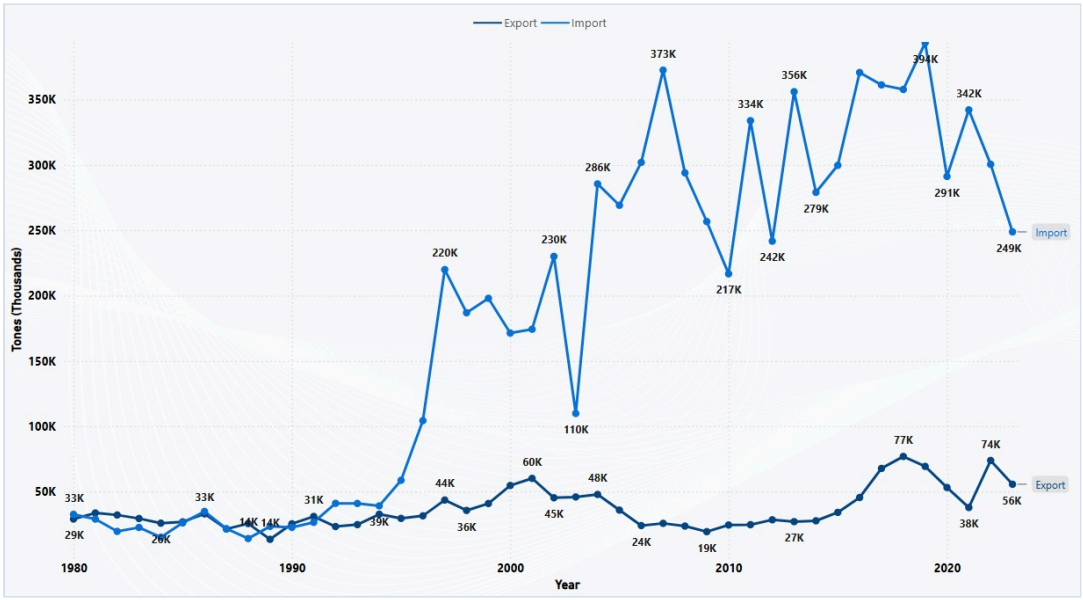
Additionally, the fisheries sector accounted for approximately 12% of agricultural GDP and 4.5% of total GDP in the early 2000s; these figures have declined to around 5.4% and 1.1%, respectively, in recent years (GSS, 2022). However, these official figures likely understate the sector's true economic impact, as they do not fully capture the multiplier effects of employment in processing, retail, boat

construction, and gear repair. When these indirect contributions are considered, the sector's contribution to agricultural GDP and total GDP in 2016 could have been as high as 5.5% and 3.75%, respectively (World Bank, 2020).

The sector is regionally concentrated, with artisanal fishing communities along Ghana's entire coastline. Fishing activities in the Western, Central, Greater Accra, and Volta regions provide direct employment for an estimated 124,000 artisanal fishers, with the semi-industrial and industrial fleets employing thousands more (BoG, 2008; Dovlo et al., 2016). The post-harvest sector, dominated by women, provides additional employment through fish processing, smoking, and marketing, making fisheries a critical source of livelihood for coastal households (Appiah et al., 2021).

The trade imbalance is reflected both in volume and value. Figure 1.1 presents the trends in fish export and import volumes (Tons) between 1980 and 2023. During the early 1980s, export and import volumes were roughly balanced, with both averaging approximately 30,000 tonnes annually. However, from the mid-2000s onward, a significant divergence emerged. Import volumes rose steadily, reaching nearly 200,000 tonnes by 2013, while export volumes remained well below 40,000 tonnes for most of the period. By 2023, export volumes had recovered to over 200,000 tonnes, while imports had declined substantially to approximately 85,000 tonnes (MoFA, 2025). This long-term trend reflects the structural decline in domestic fish production and the growing reliance on imports to meet national consumption needs, though recent years show a partial recovery in export performance.

Figure 1.1: Trends in Export and Imports of Fish and Fisheries Products in Ghana (Tonnes)



The monetary dimension of this imbalance is equally striking. Between 2014 and 2016, the average annual export revenue exceeded US$140 million, making fisheries one of Ghana's most important non-traditional export earners. Tuna and high-value demersal species, such as shrimp, lobster, and cuttlefish, are exported primarily to the European Union, the United States, and Japan (GEPA, 2021). However, the value of fish imports has consistently exceeded export earnings, with the seafood trade balance moving from a US$33 million surplus in 1997 to a US$319 million deficit in 2013 (FAO, 2016). By 2023, the value of fish exports had recovered to US$425 million, while imports stood at US$44 million, reflecting a partial recovery in export performance. Nevertheless, the long-term trend shows a growing reliance on imports, underscoring the sector's vulnerability to export misinvoicing.

Finally, in terms of domestic market allocation, fish remains the most affordable and preferred source of animal protein for Ghanaians. Per capita fish consumption is estimated at 20-26 kg per year, well above the global average of 16 kg and the Sub-Saharan African average of 9–10 kg (FAO, 2016; MoFAD, 2022). Fish accounts for approximately 60% of animal protein in the average Ghanaian diet, making the sector crucial for national food security and nutrition (Mutimukuru-Maravanyika et al., 2013). This high dependence on fish, combined with the sector's economic and employment contributions, underscores the importance of addressing IFFs and promoting sustainable fisheries management.

1.4 Fisheries Sector IFFs vulnerabilities and implications on DRM

The fisheries sector in Ghana is highly susceptible to Illicit Financial Flows (IFFs) and governance weaknesses that undermine domestic revenue mobilization (DRM). These vulnerabilities span the value chain, from vessel licensing and fuel subsidies to exports and international trade, collectively reducing the state's ability to capture fiscal benefits from the sector. Table 1.1 outlines the key vulnerabilities, their descriptions, and implications for DRM.

Table 1.1: Key Fisheries Sector IFFs Vulnerabilities and Implications on DRM

Vulnerability	Description	Implication for DRM
Opaque Beneficial Ownership	Foreign-owned vessels registered under Ghanaian shell companies, concealing true owners (EJF, 2021; Yakubu, 2022).	Loss of revenue and forex, weakened enforcement, and erosion of investor confidence.
Illegal, Unreported, and Unregulated (IUU) Fishing	Fishing without a valid license, using prohibited gear, or using illegal methods (Bonsu et al., 2018; MoFAD, 2022).	Stock depletion, reduced sustainable harvests, and lost revenue potential.
Saiko (Illegal Transhipment)	Industrial trawlers transfer catches to canoes at sea, bypassing reporting and quotas (Bonsu et al., 2018; Yakubu, 2022).	Unrecorded catches avoid fees/taxes, undermining stock data and revenue collection.
Under-Reporting of Catches	Operators declare fewer fish than they catch to reduce fees and evade quotas/taxes (MoFAD, 2022; World Bank, 2020).	Loss of catch levy revenue, inaccurate quota-setting, and weakened management.
Premix Fuel Diversion and Fraud	Subsidised fuel diverted to vehicles/smugglers, fuelling corruption (ACEP, 2025; GhanaWeb, 2026).	Public fund leakages (GH₵27.7m, 2017–2024) reduced community development funding.
Corruption in Licensing/Inspection	Bribery of inspectors and officials to overlook violations or falsify documents (Mapedza et al., 2024).	Loss of fine revenue, weakened enforcement, reduced deterrence.
Trade Mispricing (Under/Over-Invoicing)	Exporters manipulate invoices to evade duties or transfer capital abroad (FIC Ghana, 2024; GFI, 2020).	Loss of tax/export duty revenue, reduced forex earnings, and capital flight.
Low License Fees	Industrial vessels pay far below regional benchmarks (US$35/GRT vs.7–10% elsewhere) (Dovlo et al., 2016; World Bank, 2020).	Revenue below potential (<US$600k annually), overcapacity, weak fiscal contribution.
Weak Enforcement/Prosecution	Reduced fines, slow adjudication, and limited prosecutorial capacity (Yakubu, 2022; World Bank, 2020).	Lost fine revenue, lack of deterrence, persistence of IUU fishing.

Vulnerability	Description	Implication for DRM
Limited Local Value Addition	Export of raw fish with minimal domestic processing (BoG, 2008; MoFAD, 2022).	Missed VAT revenue, reduced employment, weaker fiscal base.

1.5 Structure and scope of the Report

This study focuses primarily on Ghana's marine fisheries, with reference to artisanal, semi-industrial, and industrial subsectors. The timeframe spans from the Wholesale Fish Marketing Act of 1963 (Act 156) to recent reforms under FiTI in 2025. This report is structured into six chapters. Chapter One presents the introduction. Chapter Two provides an overview of existing frameworks and IFFs affecting Ghana's fisheries industry. Chapter Three examines IFFs' risks and opportunities for DRM in the fisheries value chain. Chapter Four outlines methodology and data sources. Chapter Five presents the study's findings and case study analysis. Chapter Six concludes with policy recommendations.



GHANA'S FISHERIES AT A GLANCE

A cornerstone of livelihoods and food security – under growing pressure



550 km coastline

24,300 km² continental shelf

225,000 km² EEZ

Inshore Exclusive Zone – extended from 6 to 12 nautical miles under the Fisheries and Aquaculture Act, 2025 (Act 1146)

THREE FLEETS, ONE OCEAN

~14,000 canoes

Artisanal (canoe)
≈70% of marine landings; mainly small pelagics (sardinella, anchovy, mackerel). ~US$271m economic value a year.

~200 vessels

Semi-industrial (inshore)
Down from over 400 a decade ago; predominantly Ghanaian-owned.

74 + 37 trawlers + tuna vessels

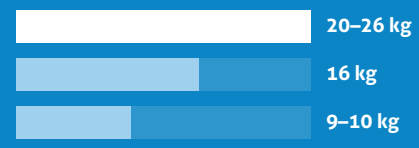
Industrial
At least 90% beneficially owned by foreign (mainly Chinese) interests.

FOOD SECURITY



of animal protein in the average Ghanaian diet comes from fish

Per-capita fish consumption (kg/year)



A SHRINKING ECONOMIC CONTRIBUTION

~6% → ~1.1%
fisheries share of GDP, 1993 vs recent years

>US$200m
spent each year on fish imports

320,000 t
estimated annual fish supply deficit

~124,000
artisanal fishers directly employed

>80%
decline in small pelagic fish stocks over the past two decades

~10%
of Ghana's population depends on the sector for livelihoods

CHAPTER TWO

2 REVIEW OF EXISTING FRAMEWORKS, POLICIES, AND IFFS RISKS IN GHANA'S FISHERIES SECTOR

2.1 Introduction

This chapter reviews the existing frameworks and policies governing Ghana's fisheries industry. It also reviews the fiscal regimes and instruments that pertain to the sector and the implications for illicit financial flows risk along the fisheries value chain. The chapter concludes by assessing the gaps in these policies and frameworks that could increase IFFs' risk in the fisheries sector.

2.2 Existing frameworks and policies in Ghana's fisheries sector

This section presents the frameworks and policies in Ghana's fisheries sector at the national, regional, and international levels over the years.

Ghana's fisheries sector is governed by various legal instruments, regulations, and policy documents at the national, regional, and international levels. Collectively, these frameworks establish the rules for fisheries management, conservation, licensing, monitoring, trade, and institutional oversight.

At the national level, the primary legislative instrument is the Fisheries Act, 2002 (Act 625). This Act establishes the Fisheries Commission as the central body responsible for regulating and managing the utilization of fishery resources in Ghana. It also creates the Fisheries Development Fund, which receives monies from license fees, fines, and compounded offenses to support the sector. The Act further provides for the development of fishery management plans, the licensing of fishing vessels, and the establishment of the Inshore Exclusive Zone (IEZ). The Fisheries Act was amended by the Fisheries (Amendment) Act, 2014 (Act 880), which introduced provisions on international conservation and management measures and inserted a specific section defining Illegal, Unreported and Unregulated (IUU) fishing and associated penalties. The operational details of the Fisheries Act are set out in subsidiary legislation, including the Fisheries Regulations, 2010 (L.I. 1968), which provide for matters such as the registration and marking of fishing vessels, minimum mesh sizes, prohibited fishing methods, licensing procedures for canoes and industrial vessels, observer programs, vessel monitoring systems, and the regulation of aquaculture, including permitting and record-keeping requirements. These were further amended by the Fisheries (Amendment) Regulations, 2015 (L.I. 2217), which strengthened provisions relating to the registration of fishing vessels, the maintenance of a Record of Fishing Vessels, authorization to fish outside Ghanaian waters, the issuance of catch certificates for fish exports, and detailed requirements for vessel monitoring systems and port access for foreign fishing vessels. Beyond these core fisheries statutes, other national laws relevant to the sector include the Local Government Act, 1993 (Act 462), as amended by the Local Governance Act, 2016 (Act 936), which empowers district assemblies to make by-laws for fisheries management within their jurisdictions, and the National Premix Fuel Committee Regulations, 2016 (L.I. 2233), which regulates the procurement and distribution of subsidized premix fuel to artisanal fishers. Ghana also has a National Fisheries and Aquaculture Policy, which provides strategic direction for the sector and covers marine, lagoon, and inland fisheries (MoFAD, 2022). It also covers aquaculture development, post-harvest management, aquatic animal health, environment and climate change, fisheries governance, and research and innovation. The policy explicitly recognizes co-management as a strategy for fisheries governance, involving resource users and other stakeholders in management decisions.

At the regional level, Ghana is an active member of several West African fisheries bodies. Notable among them is the Fisheries Committee for the West Central Gulf of Guinea (FCWC), which includes Ghana, Benin, Côte d'Ivoire, Nigeria, and Togo. The FCWC facilitates regional cooperation in fisheries management, including harmonizing policies, sharing monitoring, control, and surveillance (MCS) information, and coordinating efforts to combat IUU fishing. The FCWC has established a Regional MCS Centre to support these objectives. Ghana is also a member of the Ministerial Conference on Fisheries Cooperation among African States Bordering the Atlantic Ocean (ATLAFCO), which promotes cooperation in the conservation and sustainable use of Atlantic fishery resources. Additionally, Ghana participates in the Fishery Committee for the Eastern Central Atlantic (CECAF), a regional advisory body of the Food and Agriculture Organization (FAO) that provides a framework for stock assessment and fisheries management advice for the region. These regional memberships enable Ghana to coordinate with neighbouring states on shared fish stocks, harmonize regulatory approaches, and participate in joint monitoring and enforcement initiatives.

At the international level, Ghana is a signatory to the United Nations Convention on the Law of the Sea (UN, 1982), which establishes the legal framework for all marine and maritime activities, including the rights and duties of coastal states over their exclusive economic zones (EEZs) and the conservation and management of living marine resources. Ghana is also a party to the UN Fish Stocks Agreement (UNFSA, 1995), which addresses the conservation and management of straddling and highly migratory fish stocks. Furthermore, Ghana has acceded to the FAO Port State Measures Agreement (PSMA), the first binding international agreement specifically designed to prevent, deter, and eliminate IUU fishing by denying port access to vessels engaged in such activities. Regarding tuna and tuna-like species, Ghana is a contracting party to the International Commission for the Conservation of Atlantic Tunas (ICCAT). As a member, Ghana is bound by ICCAT recommendations and resolutions, including those relating to catch documentation, transshipment controls, and vessel monitoring systems. Ghana has also endorsed non-binding international instruments, including the FAO Code of Conduct for Responsible Fisheries and the Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries in the Context of Food Security and Poverty Eradication (SSF Guidelines). These instruments provide principles and standards for fisheries governance, conservation, and development. Additionally, Ghana is committed to the UN Sustainable Development Goals (SDGs), particularly SDG 14 (Life Below Water), which targets the conservation and sustainable use of oceans, seas, and marine resources. Through these international commitments, Ghana integrates global standards into its domestic fisheries governance framework, aligning national laws and policies with internationally accepted norms and obligations.

2.3 The fiscal regimes in Ghana's fisheries sector

The fiscal regime governing Ghana's fisheries sector consists of direct taxes (license fees), indirect taxes (fuel levies and import duties), and parafiscal charges (levies for specific funds). Historically, the government has used selective tax exemptions, particularly on marine gas oil (MGO) and premix fuel, as a form of subsidy to reduce operational costs for fishermen. However, these exemptions were abused, leading to corruption and financial mismanagement in the premix fuel sector (MoFA, 2025). Consequently, the 2025 fiscal policy has shifted significantly towards removing these exemptions to curb smuggling, prevent revenue leakage (estimated at nearly half a billion Ghana cedis), and align with the terms of the International Monetary Fund (IMF) programme. The key fiscal instruments currently governing the sector are briefly explained below and summarized in Table 2.1.

- **Fishing License Fees:** These are annual fees mandated by the Fisheries Act, 2002 (Act 625) and the Fisheries Regulations, 2010 (L.I. 1968) for all fishing vessels operating in Ghanaian waters. The fee structure is differentiated by vessel type: industrial trawlers and tuna vessels pay based on

Gross Registered Tonnage (GRT) in US Dollars, semi-industrial vessels pay fixed fees in Ghana Cedis; and artisanal canoes pay a flat annual fee determined by the District Assembly or the Fisheries Commission.

- **Marine Gas Oil (MGO) & Premix Fuel Levies:** These are taxes and levies imposed on fuel used by the fishing industry. Historically, exemptions and subsidies (such as the Price Stabilisation and Recovery Levy on Premix Fuel for artisanal fishermen) were used to reduce operational costs. However, recent reforms under the Energy Sector Levies (Amendment) Act, 2025, have removed tax exemptions on Marine Gas Oil (MGO) for industrial fleets to curb smuggling and revenue leakage (MoFA, 2025), while the subsidy on Premix Fuel for artisanal fishers remains under review (GhanaWeb, 2026).
- **Fisheries Development Fund Levies:** This levy is imposed on imported fresh or frozen fish, as established under Section 37 of the Fisheries Act, 2002 (Act 625). The revenue collected is paid into the Fisheries Development Fund, which is managed by the Fisheries Commission to finance sector-specific activities, including fisheries management, monitoring, control, and surveillance (MCS), and support for small-scale fishery enterprises.
- **Corporate Income Tax:** This is the standard tax on the profits of registered commercial entities within the fisheries value chain, including industrial fishing companies and fish processing establishments. The tax is administered under the Revenue Administration Act, 2016, and is applied at the prevailing standard corporate income tax rate (currently 25%). There are no permanent sector-specific concessions, though companies must comply with general tax laws.
- **Import Duties:** These are tariffs on imported goods essential to the fisheries sector, including fishing nets, outboard motors, fishing vessels, and aquaculture inputs. Governed by the Customs Act, 2015, these duties are applied at variable rates depending on the classification of the imported item. While intended to generate revenue, such duties also impact the cost structure of fishing operations and the affordability of modern equipment for local fishermen.
- **Catch Certification & Transshipment Fees:** These are administrative charges levied by the Fisheries Commission for services related to the international fish trade. Under the Fisheries (Amendment) Regulations, 2015 (L.I. 2217), exporters are required to pay a fee for the issuance of a Catch Certificate, which is mandatory for exporting fish to markets such as the European Union to verify legal catch. Additionally, fees are charged for supervising transshipment activities at sea to ensure compliance with fisheries laws.

Table 2.1: Fiscal Instruments in the Fisheries sector

Fiscal Instrument	Description	Rates	Statutory Basis
Industrial Vessel License Fee	Annual fee for tuna vessels and trawlers operating in Ghana's EEZ.	Calculated per GRT (e.g., US$30–55/GRT)	Fisheries Act, 2002 (Act 625); LI 1968
Artisanal Canoe License Fee	Annual registration fee for canoe fishermen.	Fixed annual fee determined by MMDAS or the Fisheries Commission.	Fisheries Act, 2002 (Act 625)
Marine Gas Oil (MGO) Levy	Tax on fuel used by industrial fishing vessels.	Exemption removed in 2025. Full tax and levy regime now applies to curb smuggling.	Energy Sector Levies (Amendment) Act, 2025
Premix Fuel Subsidy/Levy	Subsidised fuel for artisanal (canoe) fishermen.	Price stabilization levy applied. Currently subsidised but subject to potential abolition due to corruption issues	Energy Sector Levies Act (Act 899)

Fiscal Instrument	Description	Rates	Statutory Basis
Corporate Income Tax (CIT)	Tax on profits of registered fishing companies and processors.	Standard CIT rate (currently 25%). Applies to Tuna processing and industrial fishing operations.	Revenue Administration Act, 2016
Import Duty (Vessels & Gear)	Tariffs on imported fishing equipment.	Variable rates applied to nets, outboard motors, and steel hulls.	Customs Act, 2015
Fisheries Development Fund Levy	Levy on imported frozen/fresh fish to support sector development.	Determined by the Minister of Fisheries. Paid into the Fisheries Development Fund for management and surveillance.	Fisheries Act, 2002 (Act 625) - Section 37
Catch Certificate Fee	Administrative fee for issuance of catch documentation for exports.	Fixed fee per certificate	Fisheries (Amendment) Regulations, 2015 (L.I. 2217)
Penalties & Fines (IUU)	Fiscal penalties for Illegal, Unreported, and Unregulated (IUU) fishing.	First offense: US$1m - $2m; Second offense: $2m - $4m + suspension.	Fisheries (Amendment) Act, 2014 (Act 880)

2.4 Policies aimed at reducing IFFs in the fisheries sector

Ghana has developed a multi-layered policy framework to combat Illicit Financial Flows (IFFs) arising from illegal fishing activities, including revenue leakage, tax evasion, trade mispricing, and corrupt practices. These policies operate at national, regional, and international levels, targeting vessel licensing, fuel subsidies, catch documentation, port access, and financial transparency.

At the national level, the primary legislative instrument is the Fisheries Act, 2002 (Act 625), as amended by the Fisheries (Amendment) Act, 2014 (Act 880). Act 880 criminalises Illegal, Unreported and Unregulated (IUU) fishing and establishes a steep penalty regime, with fines ranging from $1m – $4m for offenders, escalating with repeat violations to include licence suspension and deletion of the vessel from the shipping registry. These high fines are designed to deter illegal operators and recover illicit proceeds. The operational regulations under the Act, particularly the Fisheries (Amendment) Regulations, 2015 (L.I. 2217), introduce additional anti-IFF measures. These include a mandatory Catch Certification Scheme for all fish exports, requiring verification that fish were caught legally and that vessels are not listed on any IUU register, with false declarations attracting heavy financial penalties. The Regulations also mandate the installation of Vessel Monitoring Systems (VMS) on industrial vessels to track their movements and fishing activities, with failure to comply resulting in significant fines (GNA, 2022). The National Plan of Action to Prevent, Deter and Eliminate IUU Fishing (NPOA-IUU) 2021-2025 consolidates these efforts, outlining specific actions such as strengthening the Fisheries Enforcement Unit, implementing port state controls, ensuring that IUU fishery products are neither imported into nor exported from Ghana, and developing administrative procedures to improve fisheries law enforcement (MoFAD, 2021, pp.11–14). The NPOA also identifies existing legislative and institutional gaps, including inadequate administrative sanctions and insufficient prosecution capacity (MoFAD, 2021, p.9). Regarding fiscal transparency, Ghana has committed to the Fisheries Transparency Initiative (FiTI). Consequently, the MoFA inaugurated a 15-member National Multi-Stakeholder Group comprising government, civil society, and industry representatives to oversee public disclosure of key fisheries information, including vessel registers, license fees, access agreements, and stock assessment data (FiTI, 2025).

At the regional level, Ghana is an active member of the Fisheries Committee for the West Central Gulf of Guinea (FCWC). The FCWC has adopted a revised Regional Plan of Action to Prevent, Deter and Eliminate IUU Fishing (RPOA-IUU), which includes measures to harmonise deterrent sanctions across

member states, establish regional VMS systems, implement a catch certification scheme to prevent international trade in IUU fish products, and share information on fishing vessels (FCWC, 2018a). The FCWC also operates a Regional Monitoring, Control and Surveillance Centre and has adopted a strategy to combat illegal transhipment at sea, a major channel for laundering illegally caught fish.

At the international level, Ghana has ratified the World Trade Organization's Agreement on Fisheries Subsidies (AFS), adopted in 2022 and ratified by Ghana in July 2025 (WTO, 2022). The AFS prohibits subsidies that contribute to IUU fishing, target overfished stocks, or support unregulated high-seas fishing. Ghana's small-scale fisheries are heavily reliant on the Premix Fuel Subsidy, which costs the state approximately US$44 million annually (Tobey et al., 2016). The AFS requires Ghana to reform or eliminate such capacity-enhancing subsidies. To support this transition, Ghana launched a three-year WTO-backed fisheries reform program that focuses on monitoring subsidy flows, tracking fish stocks, and strengthening sector oversight (Ecofin Agency, 2026). Ghana is also a signatory to the FAO Port State Measures Agreement (PSMA), which denies port access to vessels engaged in IUU fishing, and to the UN Fish Stocks Agreement (UNFSA). These are implemented domestically through the Fisheries Act and the NPOA-IUU. Additionally, Ghana is a contracting party to the International Commission for the Conservation of Atlantic Tunas (ICCAT), which requires catch documentation and compliance with transhipment controls, provisions partially incorporated into national regulations. In summary, Ghana has a comprehensive policy architecture to reduce IFFs, anchored by Act 880 (high fines and IUU criminalisation), L.I. 2217 (catch certification and VMS), the NPOA-IUU (action plan), the FiTI (transparency commitment), the FCWC RPOA (regional cooperation), and the WTO AFS (subsidy reform). Despite this robust framework, persistent implementation gaps, including inadequate public disclosure, weak enforcement of beneficial ownership requirements, and limited capacity for financial investigations, continue to create IFF vulnerabilities. These gaps are addressed in detail in section 2.5.

2.5 Inadequacies in existing Policies that create IFF vulnerabilities

Despite Ghana's comprehensive legal and policy framework to curb IUU fishing and related financial crimes, persistent inadequacies in implementation, enforcement, transparency, and institutional capacity create significant vulnerabilities for Illicit Financial Flows (IFFs). These gaps span the entire fisheries value chain, from licensing and fuel subsidies to catch reporting, transhipment, export certification, and revenue collection. A fundamental inadequacy lies in the weak enforcement of existing laws and the non-deterrent nature of sanctions. Yakubu (2022, p. 41) notes that "Ghana's difficulties in curbing IUU fishing are not the absence of or grey areas in the laws, but rather weak enforcement, corruption, political interference, inadequate funding, and absence of political will." While the Fisheries (Amendment) Act, 2014 (Act 880) prescribes fines of up to US$4 million for IUU fishing, the penalties are inconsistently imposed. Infractions are often processed through out-of-court settlements, where fines are reduced to the legal minimum and occasionally go unpaid because the companies are "fronted/shelled by local company accounts, and do not affect the larger companies controlling the vessel[1]" (Yakubu, 2022, p. 25). The widespread use of Alternative Dispute Resolution (ADR) mechanisms results in significantly reduced fines that do not deter repeat offenders (World Bank, 2020b, p. 102). Furthermore, the discretionary powers granted to the Minister of Fisheries and Aquaculture to compound offenses have been criticised for lacking transparency, creating opportunities for political interference and corruption (Mapedza et al., 2024).

Another critical gap is the absence of effective beneficial ownership disclosure and public access to fisheries information. A FiTI transparency assessment found that while Ghana collects considerable fisheries data, most of it remains inaccessible to the public (FiTI, 2023b). Specifically, there is no regular publication of information on public revenues from the fisheries sector, including licence fees paid by industrial fishing companies, nor is there publicly available data on the beneficial owners of

fishing vessels, despite this being a mandatory requirement for licence applications (FiTI, 2023b). The opaque ownership structure, where foreign companies use local shell companies to register vessels as Ghanaian to avoid lawful fines, has been identified as a major enabler of IFFs (Yakubu, 2022, p.25). Although the government has set up a National Multi-Stakeholder Group (MSG) under the FiTI to address these transparency deficits, the effectiveness depends on its ability to compel public disclosure of previously withheld information (FiTI, 2025).

Ghana's difficulties in curbing IUU fishing are not the absence of or grey areas in the laws, but rather weak enforcement, corruption, political interference ...

Inadequate monitoring, control, and surveillance (MCS) capacity further compounds these vulnerabilities. Although Vessel Monitoring Systems (VMS) are mandated for industrial vessels, coverage remains incomplete, and enforcement of non-compliance is weak. The NPOA-IUU explicitly acknowledges inadequate coverage of the electronic monitoring system, low MCS skills, insufficient staff, and inadequate follow-up on alerts regarding suspicious fishing activities (MoFAD, 2021, p. 9). The practice of illegal transhipment at sea, locally known as "saiko," is another source of IFF's vulnerability in the fisheries sector. Owusu et al.(2025) observe that saiko has persisted despite its illegal status because the state has "emerged as an important actor in the strategic (re)positioning of saiko" without addressing "highly uneven and asymmetrical power relations in the fishing industry". The same study notes that profits from saiko fish trade are concentrated in the hands of a few people, and macro-political factors account for its persistence. Ghana's inability to police the full extent of its EEZ has been identified as a critical enforcement gap (Yakubu, 2022).

The premix fuel subsidy regime is a well-documented IFF vulnerability in Ghana's fisheries sector. While intended to support artisanal fishers, the subsidy system is plagued by corruption, diversion, and hoarding. CSOs such as the Africa Centre for Energy Policy (ACEP) urged the government to abolish the premix fuel subsidy, citing inefficiencies, corruption, and mounting debts. ACEP disclosed that "nearly all the GH₵680 million in annual revenues from the Price Stabilisation and Recovery Levy (PSRL) is siphoned through the premixed fuel subsidy by cronies, offering little or no benefit to the fisherfolk" (ACEP, 2025). The MoFAD audit report also shows that the premix sector recorded GH₵27 million in irregularities between 2017 and 2024 (GhanaWeb, 2026). The report found that subsidised fuel intended for fishermen is routinely diverted to vehicle drivers and smugglers, with politically exposed persons profiting from resale at market prices. The WTO Agreement on Fisheries Subsidies, to which Ghana is a signatory, requires the elimination of such capacity-enhancing subsidies. ACEP recommended replacing the corruption-ridden subsidy program with direct financial support for fisherfolk to purchase their fuel (ACEP, 2025).

Gaps in the catch certification and trade monitoring system also facilitate trade-based IFFs. Although L.I. 2217 establishes a mandatory Catch Certification Scheme for exports, the verification process is hampered by inadequate laboratory capacity for testing fish samples suspected of being caught with chemicals (Bonsu et al., 2018). Moreover, there is limited collaboration between the Fisheries Commission and customs authorities to systematically cross-check export declarations against catch certificates, creating opportunities for under-invoicing, mis-description of species, and false declaration of origin. Fact Check Ghana (2023) reports that Ghana loses an estimated US$3 billion annually through IFFs, with gaps in trade reporting being a major contributor. ISODEC's own estimates show that Ghana lost more than $30 billion in trade IFFs between 2013 and 2023, with trade misinvoicing accounting for 60% of this amount. The Fisheries and Aquaculture Bill, 2025, represents a significant legislative instrument aimed at addressing the gaps that lead to IFF vulnerability in the fisheries sector. The new bill expands the Inshore Exclusive Zone (IEZ) from 6 to 12 nautical miles, mandates electronic monitoring systems on industrial vessels, and introduces stricter penalties for IUU

fishing (Mongabay, 2025). The new bill was passed partly in response to the EU's "yellow card" warning issued in 2021, as a "red card" would ban fish exports to the EU, costing Ghana an estimated US$425.9 million in lost revenue (SeaFood Media, 2025). Ghana's receipt of a second yellow card, the second country ever to be re-carded, is evidence of the inadequacy of previous legal frameworks due to continued shortcomings in monitoring, control, and surveillance, as well as ineffective sanctions (Yakubu, 2022).

At the regional and international levels, limited mutual legal assistance and information sharing hamper cross-border IFF investigations. While Ghana participates in the FCWC Regional MCS Centre and the West Africa Task Force (WATF), the actual exchange of financial intelligence for prosecution remains minimal. The lack of a comprehensive asset recovery framework specifically tailored to fisheries crimes means that even when IUU fishing is detected, the proceeds are rarely seized or confiscated. Graphic Online (2025) reports that Ghana loses an estimated US$200 million annually to illegal fishing by foreign vessels, with the Ghana Navy attributing this to "a lack of political will along the Gulf of Guinea to address security needs".

In summary, the inadequacies in Ghana's fisheries frameworks are not primarily in the written laws but in their implementation, enforcement, transparency, and inter-agency coordination. These gaps create specific IFF vulnerabilities across the value chain: in licensing (opaque beneficial ownership), in fuel subsidies (diversion and corruption), in catch reporting (unreported transshipment), in export certification (weak verification), and in asset recovery (failure to seize illicit proceeds). The passage of the Fisheries and Aquaculture Bill, 2025, presents an opportunity to address some of these gaps, but its effectiveness will depend entirely on the political will to enforce it and adequately resource MCS institutions. Table 2.2 summarises the key IFF vulnerabilities in the fisheries sector and the deficiencies in the existing framework that enable them.

[1] While IUU fishing is largely perpetrated by local fishing fleets, this includes Ghana-flagged, but effectively Chinese-owned, industrial fishing vessels. The illegal catch, locally called saiko, is disguised as bycatch and transferred to artisanal boats for retail at landing beaches (World Bank, 2020b).

Table 2.2: Key IFF vulnerabilities and Deficiencies in existing frameworks

IFF Vulnerability	Description of the Risk	Deficiency in Existing Framework	Stakeholders/Institutions
Opaque Beneficial Ownership	Foreign companies use local shell companies to register vessels as Ghanaian, enabling tax evasion and laundering of IUU proceeds.	• No publicly accessible beneficial ownership registry for vessels. • Weak verification of ownership documents during license applications.	• Fisheries Commission (Licensing Division) • Registrar General's Department • GRA • FIC
Under-Declaration of Vessel Value / Tonnage	Vessel owners under-declare value or GRT to reduce import duties, license fees, and levies.	• Weak coordination between GMA, Customs, and the Fisheries Commission on vessel valuation. • Inadequate inspection capacity to verify vessel specifications.	• GMA • Customs Division (GRA) • Fisheries Commission • GPHA

IFF Vulnerability	Description of the Risk	Deficiency in Existing Framework	Stakeholders/Institutions
Premix Fuel Diversion and Fraud	Subsidised fuel intended for fishers is diverted to vehicles and smugglers; proceeds are laundered, and the state loses revenue.	• Weak distribution controls and lack of automated dispensing systems. • Corruption and political interference in allocation. • Lack of transparent accounting for proceeds. • Ineffective enforcement against diversion.	• NPFS • NPA • Fisheries Commission (MCS) • LBCs • FIC
Unreported and Misreported Catches ("Saiko")	Illegal transshipment from trawlers to canoes allows fish to enter the supply chain without records, avoiding taxes and license obligations.	• Inadequate at-sea inspections and patrol vessels. • Weak enforcement of transshipment prohibitions. • Limited VMS coverage for artisanal/semi-industrial vessels. • Lack of observer coverage on all industrial vessels. • Corruption among MCS officers.	• FEU • Fisheries Commission (MCS) • Ghana Navy • Marine Police • GRA
Under-Reporting of Landings (Port Level)	Vessel operators declare fewer fish at port than they caught to reduce fees, avoid quotas, and evade taxes.	• Weak port inspection capacity. • Inadequate cross-verification of landing declarations against VMS/logbook data. • Lack of integrated data systems. • Potential for bribery of port inspectors.	• Fisheries Commission (Port Inspection) • GRA (Customs) • GPHA • Marine Police
Trade Mispricing (Under/Over-Invoicing)	Exporters under- or over-invoice fish exports to evade duties or transfer capital abroad.	• Weak verification of export prices against international markets. • Inadequate inter-agency collaboration (Fisheries, Customs, Bank of Ghana). • Limited use of transfer pricing rules.	• GRA (Customs, Transfer Pricing) • Bank of Ghana • GEPA • Fisheries Commission
Weak Catch Certification & Traceability	Inadequate verification of catch origin allows IUU-caught fish to be laundered into export markets.	• Inadequate laboratory capacity. • Weak collaboration between Fisheries and Customs. • Weak penalties for false declarations.	• Fisheries Commission (Catch Certification) • GRA (Customs) • FDA • EPA
Non-Deterrent Sanctions & Out-of-Court Settlements	Offenders avoid full prosecution through ADR settlements, with fines reduced below statutory minimums.	• Ministerial discretion to compound offenses. • Inadequate transparency in ADR processes. • Weak prosecution capacity and slow case adjudication. • Political interference.	• Attorney General's Department • FEU • Judiciary • Ministry of Fisheries • FIC

IFF Vulnerability	Description of the Risk	Deficiency in Existing Framework	Stakeholders/Institutions
Limited Asset Recovery	Proceeds of IUU fishing and related IFFs are rarely identified, frozen, or confiscated.	• Fragmented asset recovery responsibilities across agencies. • Limited use of financial investigations. • Weak inter-agency coordination on financial intelligence.	• EOCO • FIC • OSP • Fisheries Commission • Police (Financial Crimes)
Lack of Public Access to Fisheries Data	Government does not publish key fisheries information (licence fees, vessel registers, access agreements), enabling opacity and reducing public scrutiny.	• Weak implementation of Right to Information Act. • Inadequate proactive disclosure by MoFAD/FC. • No centralised public database. • Limited capacity to maintain websites/databases.	• MoFAD • Fisheries Commission • Right to Information Commission • CSOs (e.g., Hen Mpoano, FiTI MSG)



TIMELINE: GOVERNING GHANA'S FISHERIES

Key national, regional and international instruments relevant to IFF risks in the sector

Before 2021
2021–2023
2025 onwards

1961 — Exchange Control Act, 1961 (Act 71) requires proceeds of exports to be repatriated to Ghana

1963 — Wholesale Fish Marketing Act (Act 156)

1982 — UN Convention on the Law of the Sea – framework for coastal states' rights over their EEZs

1993 — Local Government Act (Act 462) empowers district assemblies to make fisheries by-laws

1995 — UN Fish Stocks Agreement on straddling and highly migratory stocks

2002 — Fisheries Act (Act 625) creates the Fisheries Commission, the Fisheries Development Fund and the Inshore Exclusive Zone

2010 — Fisheries Regulations (L.I. 1968): mesh sizes, licensing, observers, VMS

2013 — First EU "yellow card" warning to Ghana over IUU fishing

2014 — Fisheries (Amendment) Act (Act 880) defines IUU fishing; fines of US$1m–4m

2015 — Fisheries (Amendment) Regulations (L.I. 2217): catch certificates, VMS, port access

2016 — Local Governance Act (Act 936); National Premix Fuel Committee Regulations (L.I. 2233)

2018 — Observers on every industrial trawler; FCWC revised Regional Plan of Action on IUU fishing

2019 — Cabinet approves proposal to raise licence fees to US$200 per GRT

2021 — Second EU yellow card; NPOA-IUU 2021–2025; at-sea saiko halted (September)

2022 — WTO Agreement on Fisheries Subsidies adopted

2023 — FiTI "Taking Stock" transparency assessment of Ghana

2025 — Fisheries and Aquaculture Act (Act 1146) – IEZ to 12 nm; MGO tax exemption removed; WTO subsidies agreement ratified; FiTI National MSG inaugurated

2026 — WTO-backed fisheries reform programme launched

CHAPTER THREE

3 OVERVIEW OF ILLICIT FINANCIAL FLOWS RISKS AND OPPORTUNITIES FOR DOMESTIC REVENUE MOBILIZATION IN THE FISHERIES VALUE CHAIN

3.1 Introduction

This chapter analyzes the IFFs risks in Ghana's fisheries value chain and opportunities for domestic revenue mobilization. It explores the different conceptualizations, definitions, and types of IFFs. Exploiting the gaps in these conceptualizations, the chapter proposes a definition of IFFs that characterizes the fisheries sector in Ghana.

3.2 Conceptualization, Definition, and Types

Illicit Financial Flows (IFFs) are broadly understood as financial flows that are illicit in origin, transfer, or use, and that reflect exchanges of value across borders (UNODC, 2020). There is no single universally agreed-upon definition, and the concept is often discussed along a spectrum from narrow to broad interpretations (Collin, 2020). A narrow definition typically restricts IFFs to activities that are explicitly illegal, such as corruption, tax evasion, money laundering, and drug trafficking. In contrast, a broad definition extends the concept to include activities that may be legal but are considered socially harmful or unethical, such as aggressive tax avoidance by multinational corporations (Collin, 2020).

The most widely cited foundational definition describes IFFs as money that is illegally earned, transferred, or utilized (Baker, 2005). Building on this, the UNODC conceptual framework, which provides the statistical basis for monitoring SDG indicator 16.4.1, identifies tax evasion, trade reporting gaps, and smuggling as the most prevalent forms of IFF in developing countries. However, the literature also recognizes other types, such as capital flight and abnormal foreign direct investment, that are little or not linked to macroeconomic fundamentals (Abille & Siranova, 2025; Delatte et al., 2022). Cobham & Janský (2018) further argue that the inclusion of corporate tax avoidance within the IFF agenda is both conceptually and politically justified, noting that the term 'illicit' was deliberately chosen to encompass flows that are socially forbidden as well as legally forbidden. They contend that the common feature uniting all IFFs is the use of financial secrecy to obscure the true nature of transactions or the underlying ownership of assets.

From a governance perspective, IFFs have been linked to weak institutions and regulatory systems. Ndikumana & Boyce (2011) highlight the role of governance gaps in facilitating capital flight from Africa, where resource-rich countries experience disproportionately high IFFs due to corruption and lack of transparency in financial reporting. Indeed, they observe a revolving phenomenon in which 70 cents of every dollar borrowed by these countries return to the developed world as capital flight. These conceptualizations underscore the multifaceted and sector-specific nature of IFFs, a reality particularly relevant in natural resource sectors such as fisheries and extractives.

3.3 Gaps in Conceptualization and Definition of IFFs

The existing conceptualizations and definitions of Illicit Financial Flows (IFFs), while providing a valuable overarching framework, exhibit significant gaps when applied to specific sectors such as fisheries. These gaps stem from the tendency of broad definitions to lack the granularity needed to

capture sector-specific dynamics, actors, and mechanisms. As noted by Collin (2020), the absence of a universally agreed-upon definition creates challenges for measurement and policy response. Just as ISODEC reports for the cocoa and agricultural sector, the UNODC (2020) framework, while comprehensive, categorizes IFF-generating activities at a high level, potentially overlooking the unique characteristics of fisheries, such as the prevalence of informal transhipment, vessel mobility, and the use of flags of convenience. Furthermore, Cobham and Janský (2020) emphasize the role of financial secrecy, a feature that is deeply embedded in the global fisheries industry through opaque beneficial ownership structures, yet this is often not explicitly addressed in general IFF frameworks. Table 3.1. summarizes key gaps in the existing conceptualization and definition of IFFs, highlighting deficiencies that complicate their application in Ghana's fisheries sector.

Broad Definitions: The broad, generic definitions of IFFs provided by international bodies such as the UNECA and the UNCTAD, while useful for building global consensus, lack the specificity needed to capture the nuances of Ghana's fisheries sector (Collin, 2020). These definitions often fail to account for the sector's unique operational characteristics, including the prevalence of informal fish transhipment (locally known as "Saiko"), the use of flags of convenience, and the predominance of cash-based transactions in artisanal fishing communities (Bonsu et al., 2018). The scale of this problem is significant: the fisheries sector is a critical part of Ghana's economy, contributing approximately 4.5% to GDP and providing livelihoods for about 10% of the population (MoFAD, 2022). Yet, the generic framing of IFFs makes it difficult to design targeted policies and interventions to tackle the specific practices that generate illicit flows in the fisheries value chain.

Sector-Specific Frameworks: There is a notable lack of frameworks for understanding and addressing IFFs in the fisheries sector, with disproportionate attention paid to mineral extractive industries (OECD, 2014; UNECA, 2015). While cocoa, oil, and mining have received significant attention, the fisheries sector remains comparatively overlooked despite its critical contribution to GDP, employment, and food security. This sectoral bias is reflected in resource allocation: the fisheries sector consistently receives a smaller share of the budget than other natural resource sectors, with limited funds for monitoring, control, and surveillance (MCS) activities (Mapedza et al., 2024). This lack of attention leaves the demersal and artisanal fisheries, which are the backbone of domestic fish supply and coastal livelihoods, more vulnerable to IFFs due to weak monitoring and limited enforcement capacity (Yakubu, 2022).

Trade Mispricing Mechanisms: The existing conceptualization of IFFs often focuses on high-value commodities such as cocoa, oil, and gold, while paying insufficient attention to trade mispricing in the fisheries sector (GFI, 2020). In Ghana, IFFs can occur through the deliberate undervaluation of fish exports, the misclassification of species to evade duties, or the falsification of catch documentation (Bonsu et al., 2018). The scale of this problem is substantial, as it is reported that Africa as a continent loses over US$11.5 billion annually due to IUU fishing, and West Africa alone loses up to US$9.4 billion (EJF, 2021b). The Catch Documentation Scheme (CDS) for Ghana's trawl fishery, which should prevent such mispricing, has been found ineffective due to reliance on paper-based systems, bureaucratic inefficiencies, and a high risk of data fraud (MoFAD, 2021).

Beneficial Ownership Transparency: General IFF frameworks often lack provisions to identify the true beneficial owners of assets, a critical gap in the fisheries sector, where vessels frequently change names, flags, and ownership to obscure illicit activities (Cobham & Janský, 2020). Ghana has been a notable example of this problem, with investigations revealing that approximately 90% of the industrial fishing fleet is linked to foreign interests operating through Ghanaian "front" companies (EJF, 2021). This opacity undermines enforcement and enables IFFs, as the true beneficiaries remain hidden behind corporate structures, shell companies, and financial secrecy arrangements (Yakubu, 2022). The EJF (2021) also reports that these foreign-owned vessels engaged in illicit fishing practices, including

dumping commercially undesirable species overboard, fishing illegally in the IEZ, deliberately targeting juvenile and small pelagic species, and deliberately adjusting mesh sizes to reduce catch selectivity, among other human rights abuses. Recognizing this, the Ministry of Fisheries and Aquaculture Development has recently introduced a beneficial ownership law to identify the true owners of vessels, but its effectiveness depends on transparent implementation and rigorous enforcement (MoFAD, 2025).

Approximately 90% of the industrial fishing fleet is linked to foreign interests operating through Ghanaian "front" companies.

Cross-Border Enforcement: The transnational nature of fisheries means that IFFs often involve actors and activities crossing multiple jurisdictions. However, existing frameworks often suffer from weak coordination between national and international bodies, hindering effective enforcement (FCWC, 2018). Ghana faces challenges in curbing IUU fishing and the associated financial crimes, due to the need for effective regional cooperation through bodies such as the Fisheries Committee for the West Central Gulf of Guinea (FCWC). The European Union's "yellow card" warning, which Ghana has received twice, is a clear indication of the scale of the problem and the inadequacy of national efforts alone (Yakubu, 2022). Key challenges include insufficient information-sharing frameworks, limited interagency training, siloed operations, and disparities in how infractions are defined across institutions (EJF, 2021b).

Focus on Formal Financial Systems: Global IFF frameworks often prioritize formal financial systems, overlooking the informal, cash-based systems that are prominent in sectors such as artisanal fisheries (Igbatayo, 2019). In Ghana, the artisanal fishing sector is heavily dependent on informal savings and credit systems, such as "susu" and Village Savings and Loans Associations (VSLAs), which operate outside formal banking channels (Bonsu et al., 2018). While these systems can be a source of resilience, they also facilitate IFFs through undeclared revenues, tax evasion, and the avoidance of formal financial reporting. The cash-intensive nature of the sector makes it challenging for authorities to track financial flows, enforce tax laws, and monitor compliance. The problem is compounded by the diversion and hoarding of subsidized premix fuel, intended to support artisanal fishers but often sold on the black market, enriching cartels and political cronies at the expense of the state (ACEP, 2025; GhanaWeb, 2026).

Table 3.1: Gaps in existing definition and conceptualization of IFFs

Aspect	Key Gaps	Remarks
Broad Definitions	Broad definitions often lack the granularity to capture sector-specific dynamics, particularly in fisheries.	These generic framings create challenges in identifying and addressing the unique actors and mechanisms of IFFs in the fisheries sector, such as "saiko" (illegal transshipment) and the use of flags of convenience.
Sector-Specific Frameworks	Existing frameworks focus heavily on extractive industries (e.g., oil, gas, and minerals) and the financial sector, while overlooking primary production sectors such as fisheries, which are also highly vulnerable to IFFs.	Fisheries contribute significantly to GDP and employment in many developing countries, but limited frameworks exist to guide interventions against IFFs in these sectors (OECD, 2014; UNECA, 2015).
Trade Mispricing Mechanisms	Insufficient attention is given to trade mispricing in non-extractive exports, such as fish, where IFFs can occur through undervaluation, over-invoicing, and misclassification of species to evade duties and taxes.	Ghana's fish exports, particularly to the EU, are vulnerable to misinvoicing, contributing to significant revenue losses (GFI, 2020; WTO, 2022).

Aspect	Key Gaps	Remarks
Beneficial Ownership Transparency	General IFF frameworks often lack robust provisions for revealing beneficial ownership in sectors with mobile assets, such as fishing vessels, which frequently change names, flags, and ownership to obscure illicit activities.	The opaque ownership of Ghana's industrial fishing fleet, where front companies are used to hide foreign interests, undermines enforcement and enables IFFs (EJF, 2021b; Yakubu, 2022).
Cross-Border Enforcement	Weak coordination between national and international frameworks to address transboundary financial crimes, such as illegal transshipment at sea, which is a key IFF channel in fisheries.	Ghana faces challenges in curbing "saiko" due to the transnational nature of the activity and the need for effective regional cooperation through bodies like the FCWC (FCWC, 2018).
Focus on Formal Financial Systems	Global frameworks tend to emphasize formal financial systems, overlooking informal systems and cash-based transactions, which are prominent in the artisanal fisheries sector.	The cash-intensive nature of artisanal fishing and the use of informal trade channels facilitate IFFs through undeclared revenues and tax avoidance, thereby complicating enforcement (Bonsu et al., 2018).

3.4 Tailored Conceptualization of IFFs for Ghana's fisheries sector

Translating the generic IFF framework to Ghana's fisheries sector demands a context-specific approach. The sector generates over US$1 billion annually and supports approximately 2.2 million livelihoods, yet its inherent characteristics, such as mobility of assets, operational opacity, informal transactions, and weak enforcement, render it exceptionally susceptible to financial leakages (MoFAD, 2022; Collin, 2020). Unlike other sectors, fisheries IFFs are characterized by high mobility, rapid adaptability of illegal operators, and the use of complex transnational corporate structures to obscure beneficial ownership (EJF, 2021b). A tailored conceptualization must recognize the interconnection between IUU fishing and financial crime, where illegal fishing generates illicit proceeds laundered through opaque structures, trade mispricing, and corruption (UNODC, 2021). The "saiko" transhipment trade exemplifies this, with an estimated 100,000 metric tonnes of fish valued at US$50–80 million traded annually, bypassing all forms of taxation and revenue collection (EJF, 2021b) (EJF, 2022). The following are the key IFF vulnerabilities in Ghana's fishing sector.

- **Illegal, Unreported, and Unregulated (IUU) Fishing and Illegal Transhipment ("Saiko")**: IUU fishing generates substantial unreported income through illegal catch and transhipment. The "saiko" trade, involving the transfer of frozen fish blocks from industrial trawlers to canoes at sea, has been a persistent IFF channel. While a 2021 government ban halted at-sea transhipment, the trade transformed into a more brazen form, with saiko fish now boxed and sold openly at Tema port, evading port controls and revenue collection (EJF, 2022). Crew testimony reveals that trawlers routinely exceed their 15% by-catch allowance, with at least 50% of catch consisting of undersized and non-target species sold illegally (EJF, 2022). The unreported nature of these catches means they are not subject to landing fees, taxes, or license obligations, resulting in a direct revenue loss estimated at US$14.4–23.7 million annually in Ghana (Doumbouya et al., 2017; Yakubu, 2022).
- **Use of Front Companies**: Ghanaian law prohibits foreign ownership of industrial trawl vessels, yet approximately 90% of the industrial trawl fleet is beneficially owned by Chinese corporations operating through Ghanaian front companies (EJF, 2021b, 2022). These front companies' obscure true ownership enables foreign operators to circumvent nationality requirements, evade sanctions, and repatriate profits (EJF, 2020b). This opacity undermines enforcement, as

investigations focus on the vessel rather than the ultimate owner responsible for illegal activities (FiTI, 2023; Yakubu, 2022), while facilitating tax evasion, money laundering, and concealment of illicit proceeds.

- **Trade Mispricing and Catch Misreporting**: The deliberate manipulation of trade documentation is a significant IFF mechanism. The Catch Documentation Scheme (CDS) has proven ineffective due to paper-based systems, bureaucratic inefficiencies, and high risk of data fraud (MoFAD, 2021). Exporters engage in under-invoicing to reduce export duties and repatriate less foreign exchange, while imports of fishing inputs are over-invoiced to transfer capital abroad (GFI, 2020). Crew testimony indicates that logbooks are routinely falsified, with catches underreported to evade taxes (EJF, 2022), and that the "saiko" trade involves no documentation, creating a parallel illicit economy.
- **Corruption in Fisheries Enforcement and Governance**: Corruption permeates all levels of fisheries enforcement, with 86% of crew members witnessing corruption committed by observers, port authorities, or the navy (EJF, 2022). The main "currency" is boxes of high-value demersal species, supplied to officials to ensure that illegalities are not reported and that vessels are not sanctioned. This institutionalized corruption extends to licensing, where front companies obtain licenses for foreign-owned vessels, and to prosecution, where offenders avoid full sanctions through out-of-court settlements (Mapedza et al., 2024; Yakubu, 2022). No known instance of industrial vessel prosecution has proceeded openly through the courts, underscoring how corruption protects illegal operators (EJF, 2022).
- **Weak Monitoring, Control, and Surveillance (MCS) Capacity**: Inadequate MCS capacity facilitates IFFs by allowing illegal activities to go undetected. The NPOA-IUU acknowledges inadequate electronic monitoring coverage, low MCS skills, insufficient staff, and inadequate follow-up on suspicious fishing activities (MoFAD, 2021). Despite mandatory Vessel Monitoring Systems (VMS), coverage remains incomplete, and operators routinely tamper with or disable tracking devices (EJF, 2022; Yakubu, 2022). The practice of turning off Automatic Identification Systems (AIS) to avoid detection during incursions into the Inshore Exclusive Zone is widespread (EJF, 2022). Limited patrol vessels and aircraft mean surveillance coverage is limited, allowing IUU operators to exploit enforcement gaps with impunity (Bonsu et al., 2018; World Bank, 2020).
- **The Premix Fuel Subsidy Regime as an IFF Channel**: The subsidized premix fuel program has become a significant IFF vulnerability through diversion, fraud, and corruption. ACEP (2025) disclosed that nearly all the GH₵680 million in annual revenues from the Price Stabilisation and Recovery Levy is siphoned through the premix fuel subsidy by cronies, offering little benefit to fisherfolk. As of 2025, the premix sector recorded more than GH₵27 million in irregularities" (GhanaWeb, 2022). Subsidised fuel is routinely diverted to vehicle drivers and smugglers, with politically exposed persons profiting from resale (Nuotuo et al., 2025). The opaque distribution system, coupled with political interference and weak oversight, makes the premix subsidy regime a major conduit for IFF.
- **Human Rights Abuses and Forced Labour as Enablers of IFFs:** Labour exploitation on industrial trawlers is both a human rights concern and an IFF enabler. EJF (2022) reports human rights abuses such as crew members working over 14 hours per day, inadequate food, inadequate water, verbal abuse, physical abuse, and serious injuries at sea. The racialized labor system, with Ghanaian crew subjected to vastly inferior conditions compared to Chinese counterparts, is sustained by informal recruitment processes depriving workers of formal contracts, regular salaries, and legal protections (EJF, 2022). This exploitation reduces operational costs for vessel owners, increasing the profitability of IUU operations and creating a workforce unable or unwilling

to report illegal activities for fear of dismissal or violence. The absence of whistleblower protection mechanisms entrenches this silence, allowing IFFs to continue unchecked (EJF, 2020, 2022).

- **Lack of Beneficial Ownership and Financial Transparency**: The systemic lack of transparency in vessel ownership, financial flows, and beneficial ownership information constitutes a fundamental IFF vulnerability. The FiTI (2023) transparency assessment found that while Ghana collects considerable fisheries data, most remains inaccessible, including information on public revenues, license fees, and beneficial owners. This opacity enables the use of shell companies, complex corporate structures, and financial secrecy to conceal the true beneficiaries of IFFs (Cobham & Janský, 2020). While a beneficial ownership law for fisheries has been introduced, its effectiveness depends on transparent implementation and rigorous enforcement (MoFAD, 2025).

COMMON TYPOLOGIES

How illicit financial flows arise in Ghana's fisheries sector

1 IUU fishing & illegal transhipment ("saiko")



Unreported catches escape landing fees, taxes and licence obligations – an estimated US$14.4–23.7 million lost each year.

2 Use of front companies



About 90% of the industrial trawl fleet is beneficially owned by Chinese corporations operating through Ghanaian front companies.

3 Trade mispricing & catch misreporting



A paper-based Catch Documentation Scheme, falsified logbooks, under-invoiced exports and over-invoiced inputs.

4 Corruption in enforcement



86% of crew witnessed corruption by observers, port authorities or the navy – boxes of demersal fish are the "currency".

5 Weak monitoring, control & surveillance



Incomplete VMS coverage, AIS switched off during IEZ incursions, and too few patrol vessels and aircraft.

6 Premix fuel subsidy regime



Nearly all of the GH₵680 million in annual PSRL revenue is siphoned through the premix subsidy by cronies (ACEP, 2025).

7 Human rights abuses & forced labour



Crew work over 14 hours a day without formal contracts – cutting costs and silencing would-be whistleblowers.

8 Opaque ownership & finance



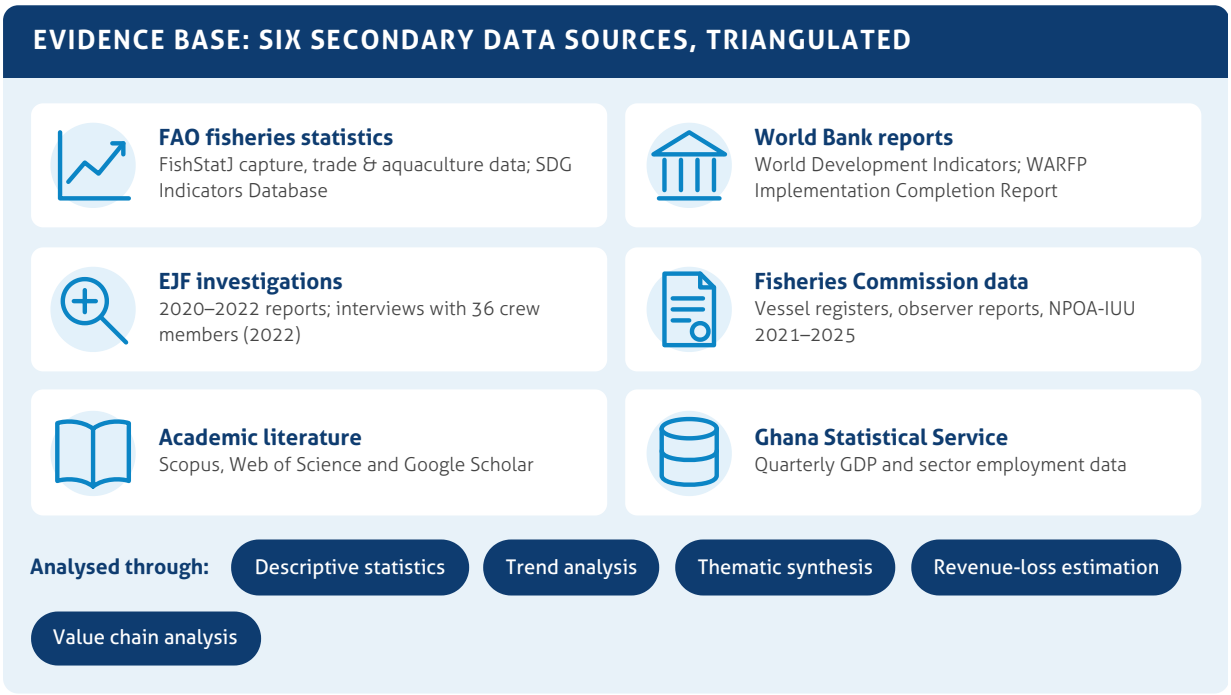
Licence fees, sector revenues and the beneficial owners of vessels are not published (FiTI, 2023).

CHAPTER FOUR

4 RESEARCH METHODOLOGY

4.1 Introduction

This chapter outlines the research methodology employed to investigate the risks of Illicit Financial Flows (IFFs) along Ghana's fisheries value chain and their implications for domestic revenue mobilization (DRM). The study adopts a secondary data analysis approach, drawing on a comprehensive range of existing sources to establish the empirical foundation for the analysis. Given the time constraints and the focus of this study, the research relies exclusively on secondary data from international organizations, civil society reports, academic literature, and national fisheries statistics from the World Bank and the FAO country reports.



4.2 Research Design

The study employs a documentary research design, which is particularly well-suited to investigating complex, multifaceted phenomena such as IFFs in the fisheries sector (Bowen, 2009). This design involves systematic collection, review, and analysis of existing secondary data from multiple sources, enabling triangulation of findings and the identification of convergent evidence across datasets. The research is structured around a comprehensive review and analysis of secondary data from international organizations, civil society reports, academic literature, and national fisheries statistics.

This approach enables us to: (1) quantify the scale and scope of IFFs in the fisheries sector, (2) identify the institutional and governance gaps that facilitate IFFs, (3) analyze trends in fish production, trade, and revenue collection, and (4) develop evidence-based recommendations for strengthening DRM. The documentary research design is particularly appropriate for our context, given the extensive documentation available on IUU fishing, corruption, and governance failures in Ghana's fisheries

sector, including detailed investigative reports from the Environmental Justice Foundation (EJF, 2020, 2021, 2022), the World Bank's Implementation Completion Reports (World Bank, 2019, 2020), and FAO fisheries statistics.

Triangulation of findings enables the identification of convergent evidence across datasets.

4.3 Data Sources and Collection Methods

4.3.1 Secondary Data Sources

Our secondary data analysis draws on multiple sources to establish the empirical foundation for the study. These sources are selected based on relevance, reliability, data coverage, and the quality of documentation provided.

FAO Fisheries Statistics: Data on fish production, catch volumes, and trade flows are sourced from FAO's Fishery Statistical reports, including Global Capture Production and Global Fish Trade and Processed Products Statistics (FAO, 2021). These datasets provide historical trends in marine fish landings in Ghana, enabling the identification of production declines associated with overfishing and IUU activities. FAO data also capture aquaculture output and value, providing context on the sector's contribution to national fish supply (FAO, 2022). The FAO SDG Indicators Database (FAO, 2024) provides additional data on fisheries' contribution to GDP and implementation of international fisheries instruments.

World Bank Reports: The World Bank's reports provide critical macroeconomic and sectoral data on Ghana's fisheries sector. The World Development Indicators (WDI) offer data on the fisheries sector's contribution to GDP, employment, and trade (World Bank, 2020). Of particular importance to this study is the Implementation Completion and Results Report (ICR) for the West Africa Regional Fisheries Programme (WARFP) (World Bank, 2019), which provides detailed data on project outcomes, including license fee collections, monitoring and surveillance expenditure, fines collected, and the overall effectiveness of the programme.

Environmental Justice Foundation (EJF) Reports: EJF investigations (2020, 2021, 2022) provide critical qualitative and quantitative evidence on IUU fishing, "saiko" transshipment, human rights abuses, and corruption in Ghana's industrial trawl fleet. These reports document vessel-level violations, crew testimony on illegal practices, and the scale of unreported fishing. EJF (2022) estimates that approximately 90% of the industrial fleet is beneficially owned by foreign interests, with an estimated 100,000 metric tonnes of fish traded through saiko annually, valued at US$50–80 million. These reports are essential for understanding the scale of IFFs and the institutional failures that enable them.

Fisheries Commission Data: The Fisheries Commission's vessel registers, observer reports, and enforcement records provide official data on licensed vessels, catch declarations, and enforcement actions. The National Plan of Action to Prevent, Deter, and Eliminate IUU Fishing (NPOA-IUU) 2021-2025 (MoFAD, 2021) outlines the regulatory framework and identifies key enforcement gaps.

Academic Literature: Peer-reviewed studies on fisheries governance, IUU fishing, and coastal livelihoods in Ghana and West Africa provide theoretical and empirical grounding. Recent studies have examined the persistence of saiko practices despite their illegal status, highlighting the role of macro-political factors and uneven power relations in the fishing industry (Owusu et al., 2025). Studies also provide evidence on the impacts of closed fishing seasons on fisher livelihoods and the role of

governance in facilitating IFFs (Owusu, 2024). Value chain analyses provide data on the economic contributions of different actors in the fisheries value chain and the constraints they face (Drury O'Neill et al., 2018; Gyimah, 2021).

Ghana Statistical Service (GSS): Data from the GSS on GDP contributions, employment, and trade provide additional context on the fisheries sector's role in the national economy. The Quarterly Gross Domestic Product reports (GSS, 2022) provide disaggregated data on the fisheries sector's contribution to agricultural GDP and total GDP.

4.3.2 Data Collection Procedures

Secondary data are collected through searching online databases, institutional websites, and academic repositories. FAO data are accessed through the FishStatJ database and the FAO SDG Indicators Database. World Bank reports are accessed through the World Bank's documents repository. EJF reports are accessed through the EJF website. Academic literature is accessed through scholarly databases including Scopus, Web of Science, and Google Scholar. Fisheries Commission data are accessed through official publications and the MoFAD website. GSS data are accessed through the GSS website and publications.

4.4 Sampling Strategy

Secondary data are selected based on relevance, reliability, coverage, and the quality of documentation provided. The FAO FishStatJ database and the World Bank data provide global capture and aquaculture production data, with Ghana-specific data extracted for the period 2010–2023 to capture recent trends in fish landings (FAO, 2021). World Bank data cover the same period, enabling analysis of fisheries production in relation to macroeconomic indicators. EJF reports (2020, 2021, 2022) are selected for their detailed documentation of IUU fishing and human rights abuses, based on primary interviews with crew members (n=36 in 2022) and stakeholder consultations (n=15). Academic literature is selected based on relevance to the research objectives and the quality of the research design. These sources are triangulated to validate findings and identify data gaps.

4.5 Data Analysis

4.5.1 Secondary Data Analysis

Secondary data analysis employs a combination of descriptive statistics, trend analysis, and thematic synthesis.

Descriptive Statistics: FAO and World Bank data are analyzed using descriptive statistics to quantify trends in fish production, trade volumes, and economic contributions. Key indicators include total marine catch, small pelagic landings, aquaculture production, and fish import/export values. These data are presented in tables and figures to illustrate trends over time and enable comparison across periods and with regional benchmarks.

Trend Analysis: Time-series analysis is conducted to identify patterns in fish production, enforcement actions, and revenue collections. This analysis helps establish correlations between policy interventions, enforcement efforts, and fisheries outcomes. Trend analysis is particularly useful for examining the relationship between the EU's "yellow card" warnings and subsequent policy reforms, and for assessing the impact of these reforms on enforcement outcomes.

Thematic Synthesis: EJF reports and academic literature are analyzed thematically to identify key IFF vulnerabilities, governance gaps, and institutional failures. The main themes include IUU fishing methods (saiko, IEZ incursions, illegal gears), corruption mechanisms (bribery of observers, port authorities, navy), human rights abuses (forced labour, violence, inadequate living conditions), and regulatory failures (weak enforcement, opaque beneficial ownership, ineffective prosecution).

Quantitative Estimation of Revenue Losses: Drawing on the secondary data sources, the study estimates the scale of IFF-related revenue losses along Ghana's fisheries value chain. Estimates are derived from multiple sources, including the WARFP ICR (World Bank, 2019) and EJF reports (2021, 2022). These estimates are presented in tables and synthesized to provide a conservative combined estimate of IFF-related revenue losses.

Value Chain Analysis: The study employs a value chain analysis framework to examine IFF vulnerabilities at each node of the fisheries value chain: capture and landing, processing and transshipment, and export and trade. For each node, the analysis identifies the key actors, the specific IFF mechanisms, and the estimated revenue losses. This approach enables a systematic assessment of vulnerabilities across the value chain and the identification of priority areas for intervention.

4.6 Study Limitations

Despite the comprehensive range of secondary data sources utilized in this study, several limitations must be acknowledged.

1. **Data Availability:** Secondary data on fisheries production and enforcement are subject to reporting gaps and inconsistencies. FAO and World Bank data rely on national reporting, which may understate IUU catches and misreport trade flows. The quality of reporting may vary across years and sources, affecting the reliability of trend analysis.
2. **Investigative Report Limitations:** EJF reports, while detailed in their documentation, are based on a limited number of crew interviews (n=36 in the 2022 investigation) and may not capture the full scope of illegal activities. The reports rely on self-reported testimony, which may be subject to recall bias or reluctance to report certain practices. However, the consistency of findings across multiple investigations and the triangulation with other sources enhance the credibility of these reports.
3. **Data Gaps:** Several data gaps limit the comprehensiveness of the analysis. There is limited public data on the beneficial ownership of fishing vessels, despite this being a key vulnerability for IFFs. Data on fines, penalties, and prosecutions are not regularly published, limiting the ability to assess the effectiveness of enforcement. Data on foreign exchange repatriation from fish exports is not publicly available.
4. **Temporal Limitations:** The available data cover different time periods, which may affect the comparability of findings. FAO data are available up to 2023, while EJF reports cover various periods up to 2022. The WARFP ICR covers the project period up to 2018. These temporal variations may affect the assessment of recent trends.

Despite these limitations, the documentary research design and triangulation of data sources enhance the validity and reliability of our findings, providing a comprehensive understanding of IFF risks and opportunities for DRM in Ghana's fisheries sector.

VALUE CHAIN: WHERE THE MONEY LEAKS

IFF vulnerabilities, actors and estimated losses at each node of Ghana's fisheries value chain

Artisanal
~14,000 canoes · ≈70% of landings

Semi-industrial
~200 vessels · down from 400+

Industrial
74 trawlers · 37 tuna · ≥90% foreign-owned



PHASE 1

Capture & landing

KEY ACTORS

- Canoe fishers & "fish mothers" (pre-finance)
- Semi-industrial operators
- Industrial trawlers & tuna vessels
- Observers & port inspectors

IFF CHANNELS

- IUU fishing: dumping, IEZ incursions, illegal mesh
- Licence fee under-collection
- Under-reporting of catches
- Bribery of observers

US$14.4–23.7m
IUU revenue loss / yr

US$6.4m
licence fees foregone / yr

PHASE 2

Processing & transhipment

KEY ACTORS

- Saiko canoes & traders
- Women fish processors & smokers
- Fish traders & retailers
- Buyers of carton saiko at Tema port

IFF CHANNELS

- Saiko transhipment – now in cartons at Tema
- Labour exploitation lowers costs
- Post-harvest losses from depleted stocks
- Undersized fish landed

US$14.4–38.3m
saiko trade value / yr

75–100%
crew facing abuses

PHASE 3

Export & trade

KEY ACTORS

- Tuna processors & exporters
- Front companies
- Customs (GRA) & Bank of Ghana
- EU, US & Japanese buyers

IFF CHANNELS

- Trade mispricing & under-invoicing
- Ineffective catch certification
- Foreign-exchange leakage
- Opaque beneficial ownership

US$140m+
annual export revenue exposed to leakage

~90%
of industrial fleet foreign-owned

ENABLERS ACROSS THE WHOLE CHAIN

- Opaque beneficial ownership
- Corruption and bribery
- Weak MCS capacity
- Non-deterrent sanctions & out-of-court settlements
- Lack of public fisheries data

US$39.2–72.4m conservative combined estimate of IFF-related revenue losses each year – before trade mispricing and foreign-exchange leakage are counted.

CHAPTER FIVE

5 ANALYSIS OF ILLICIT FINANCIAL FLOWS ALONG GHANA'S FISHERIES VALUE CHAIN

5.1 Introduction

This chapter presents the analysis of secondary data on Illicit Financial Flows (IFFs) along Ghana's fisheries value chain, from capture and landing through processing to export and trade. The analysis draws on multiple secondary data sources, including FAO fisheries statistics, World Bank reports, Environmental Justice Foundation (EJF) investigations, terminal evaluations of the West Africa Regional Fisheries Programme (WARFP), and academic value-chain studies. The chapter is structured to follow the fisheries value chain sequentially, examining IFF vulnerabilities and revenue losses at each node: capture and landing, processing and transhipment, and export and trade. Where applicable, stakeholder testimony from investigative reports is presented verbatim before extracting data for further analysis. This chapter lays the foundation for the subsequent primary survey data analysis, which will triangulate and complement these secondary findings.

5.2 Value Chain Mapping of Ghana's Fisheries Sector

Ghana's fisheries value chain encompasses a diverse range of actors and activities spanning capture, processing, distribution, and export. The sector comprises three main capture segments: the artisanal (canoe) fleet, the semi-industrial (inshore) fleet, and the industrial (trawler and tuna) fleet. Each segment exhibits distinct value chain characteristics, revenue structures, and IFF vulnerabilities.

The Artisanal Fleet comprises approximately 14,000 canoes and accounts for about 70% of total marine fish landings, primarily targeting small pelagic species such as sardinella, anchovy, and mackerel (MoFAD, 2022). The value chain in this segment is characterized by informal transactions, cash-based payments, and significant pre-financing arrangements where female fish processors ("fish mothers") provide credit to fishers in exchange for priority access to catches (O'Neill et al., 2018). This segment contributes approximately US$271 million annually in economic value (Yakubu, 2022). The average monthly expenditure of fishers in this segment often exceeds income, resulting in income insecurity and vulnerability to illegal practices (EJF, 2021).

The Semi-Industrial Fleet consists of approximately 200 vessels (down from over 400 a decade ago) that target both pelagic and demersal species (WARFP Terminal Evaluation, 2020). This segment, predominantly owned by Ghanaians, has shrunk significantly due to competition from the industrial fleet, which targets the same species and fishing grounds. Value chain analysis reveals that fish traders are the most profitable actors in this segment, though the Net Farm Income and Net Return on Investment are inequitably distributed across actors (Gyimah, 2021). Each actor's Benefit-Cost Ratio exceeds 1.0, indicating profitability, yet constraints, including lack of storage facilities, unstable fish prices, and credit-based purchasing, inhibit development (Gyimah, 2021).

The Industrial Fleet comprises approximately 74 trawlers and 37 tuna vessels, with at least 90% beneficially owned by foreign interests, predominantly Chinese corporations (EJF, 2022). This segment dominates fish exports, with tuna alone accounting for over US$140 million in annual export revenue (WARFP Terminal Evaluation, 2020). The industrial value chain is characterized by vertical integration, with large Asian seafood companies consolidating production and processing (Drury O'Neill et al.,

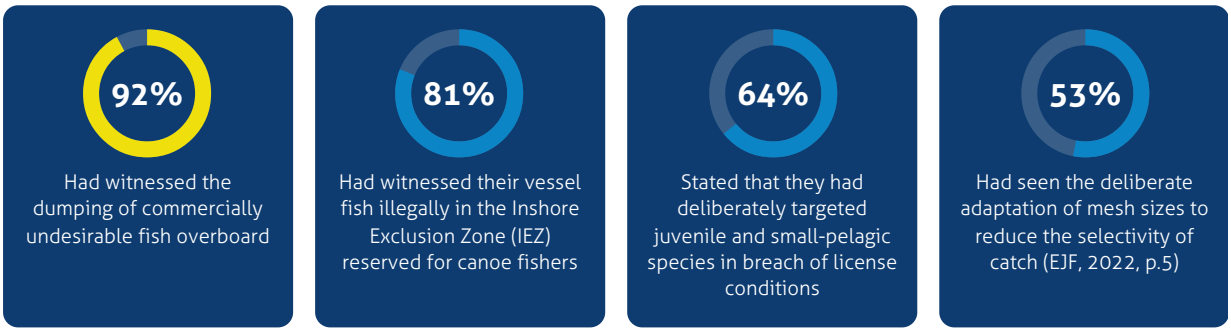
2018). However, significant illegalities have been identified throughout this value chain, including under-reporting of catches, misdeclaration of species, and the pervasive "saiko" transhipment trade (EJF, 2022).

5.3 IFF Vulnerabilities in the Capture and Landing Phase

The capture and landing phase constitutes the primary source of IFF vulnerabilities in Ghana's fisheries value chain. These vulnerabilities manifest through IUU fishing practices, under-reporting of catches, and the systematic evasion of license fees and landing charges.

5.3.1 Illegal, Unreported, and Unregulated (IUU) Fishing

IUU fishing represents the most significant IFF channel in the capture phase. The Environmental Justice Foundation's 2022 investigation, based on interviews with 36 crew members who worked on Ghanaian-flagged industrial trawlers between July 2021 and June 2022, documented widespread IUU fishing practices. Of those interviewed:



One crew member testified about the dumping of fish at sea:

Crew testimony: *Fish dumping at sea*

Key Element:



Fish dumping at sea

"We are dumping fish too much. Sometimes you can get the fish, and the boat will be full, but they will still [haul the net]. [...] Greediness. They want to use us too much, I don't know. They will throw the net again, and they will throw the net and catch plenty of fish after that and dump it all"

EJF, 2022, p. 9

Another crew member linked the increase in dumping to the cessation of at-sea "saiko" transshipments:

Crew testimony: *Dumping after the transhipment ban*

Key Element:



Dumping after the transhipment ban

"Dumping is a lot now that there is no transhipment. When there was transhipment, all the dumping they would keep it and trans-ship - but now there is no transhipment, and that fish is too small for them, they see that when they bring it to harbor, the price for that fish will be low, so they have to dump it"

EJF, 2022, p. 9

The scale of this IFF channel is substantial. EJF and Hen Mpoano (2019) estimated that approximately 100,000 metric tonnes of fish were traded illegally through saiko in 2017, with a landed market value of between US$50 and US$80 million. In 2020, despite government efforts to curb the practice, an estimated 18,586 to 30,976 tonnes of fish were traded illegally through saiko, with a landed value of US$14.4 to US$38.3 million (EJF, 2022).

5.3.2 Licence Fee Under-Collection

A significant IFF vulnerability in the capture phase is the systematic under-collection of licence fees from industrial fishing vessels. The terminal evaluation of the West Africa Regional Fisheries Programme (WARFP) revealed that Ghana's licence fee structure is substantially below regional comparators:

> **LICENCE FEES FAR BELOW REGIONAL PEERS**
>
> *"A typical 200 GRT industrial vessel pays US$7,000 a year to fish in Ghana, which is about 0.3 percent of the landing value compared to 7 percent in Sierra Leone and 10 percent in Liberia. The annual license fee revenue was less than US$600,000 in 2017, while in Sierra Leone it was over US$7 million with a similar number of trawlers"*
>
> *WARFP Terminal Evaluation, 2020, p. 11*

This represents a direct revenue loss to the state estimated at millions of dollars annually. The evaluation noted that while a fee increase proposal to US$200 per GRT was approved by Cabinet in early 2019, implementation has been inconsistent. The revenue from fines imposed on illegal activities was also substantially less than the investment in monitoring and surveillance:

> **FINES VS. SURVEILLANCE SPENDING**
>
> *"Ghana was not successful in making gains from fines imposed on illegal activities: the project spent US$9.2 million on monitoring and surveillance while collecting less than US$2 million in fines"*
>
> *WARFP Terminal Evaluation, 2020, p. 11*

This represents a cost-recovery ratio of less than 22%, compared to Liberia, which collected approximately US$6.5 million in fines against US$2.5 million in monitoring expenditure during its WARFP period.

5.3.3 Under-Reporting of Catches

The under-reporting of catches by industrial vessels constitutes another significant IFF vulnerability in the capture phase. Despite the presence of government-appointed observers on every industrial trawler since 2018, crew testimony suggests systematic under-reporting occurs. One crew member stated:

Crew testimony: *Small fish landed in bulk*

Key Element:



Small fish landed in bulk

"Because the stocks are declining, we are landing these small fish. The vessel can load 6,500 cartons of fish. The logo fish are always more than the high earner [demersal] fishes. The export [demersal] fish can be 1,000 or 1,500 cartons from the total catch. The logo fish caught are plenty"

EJF, 2022, p. 19

Fisheries observers themselves face intimidation and bribery aimed at preventing them from reporting illegalities. One crew member testified as follows:

Crew testimony: *Observers bribed with fish*

Key Element:



Observers bribed with fish

"There are observers in the vessels, but they do not say anything or take records of that [illegal fishing] because the observer is looking for his own fish. His attention is not on the task he is to perform on the vessel … once there is illegality on the part of the captain, the observer takes photos and video recordings and shows them to the captain. He then uses it to demand 6 sacks [of fish]"

EJF, 2022, p. 23

The combined effect of these practices is substantial revenue loss. The EJF (2021) estimated that Ghana loses between US$14.4 million and US$23.7 million annually to IUU fishing alone, representing foregone government revenue from uncollected license fees, taxes, and penalties.

5.4 IFF Vulnerabilities in Processing and Transhipment

The processing and transhipment phase of the value chain presents additional IFF vulnerabilities, particularly through the "saiko" trade and the transformation of illegal catch into export products.

5.4.1 Saiko Transhipment as a Persistent IFF Channel

The "saiko" trade, involving the transfer of frozen fish blocks from industrial trawlers to specially adapted canoes at sea or, more recently, at port, remains the most significant IFF vulnerability in the processing and transhipment phase. Despite government action to halt at-sea transhipment in September 2021, the trade has simply transformed:

> **SAIKO MOVES INTO PORT**
>
> *"Following government action to halt the illegal trade in saiko fish at sea in September 2021, all indicators appear to show that the illicit industry in its common form had indeed stopped. However, the trade has simply transformed and grown more brazen – with 'saiko' fish now placed into cartons and sold in large volumes directly at the industrial port of Tema"*
>
> *EJF, 2022, p. 4*

Crew testimony indicates that vessel operators have adapted their methods to evade detection:

Crew testimony: *Night-time incursions into the IEZ*

Key Element:



Night-time incursions into the IEZ

"In the evening, around 10 or 11, they come from the deep waters to the shallow waters...then they turn off all the lights and trawl in the shallow. They trawl for almost two to three hours, then the boat heads up"

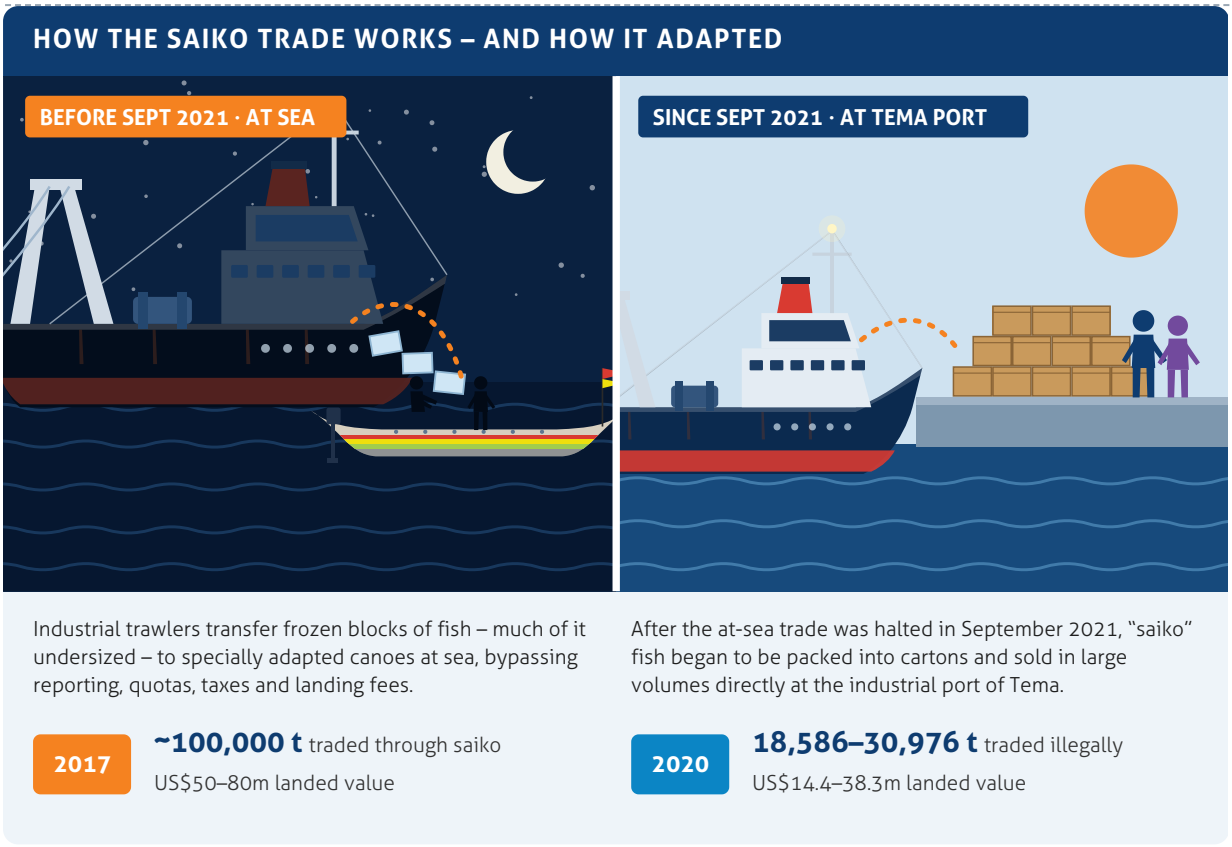
EJF, 2022, p. 10

EJF's analysis of saiko blocks purchased weekly between January and June 2022 revealed systematic violations of minimum landing sizes:

Figure 5.1: Summary of Saiko Block Analysis (January–June 2022)

SPECIES	MIN. SIZE	SHARE OF SAMPLED FISH BELOW MINIMUM LANDING SIZE	%
Bigeye Grunt	14 cm		96.5%
Canary Dentex	22 cm		100%
Round Sardinella	18 cm		100%
Atlantic Chub Mackerel	18 cm		100%
Bluespotted Seabream	18 cm		100%
Golden African Snapper	16 cm		99.4%
West African Goatfish	14 cm		93.1%
Red Pandora	14 cm		98.2%

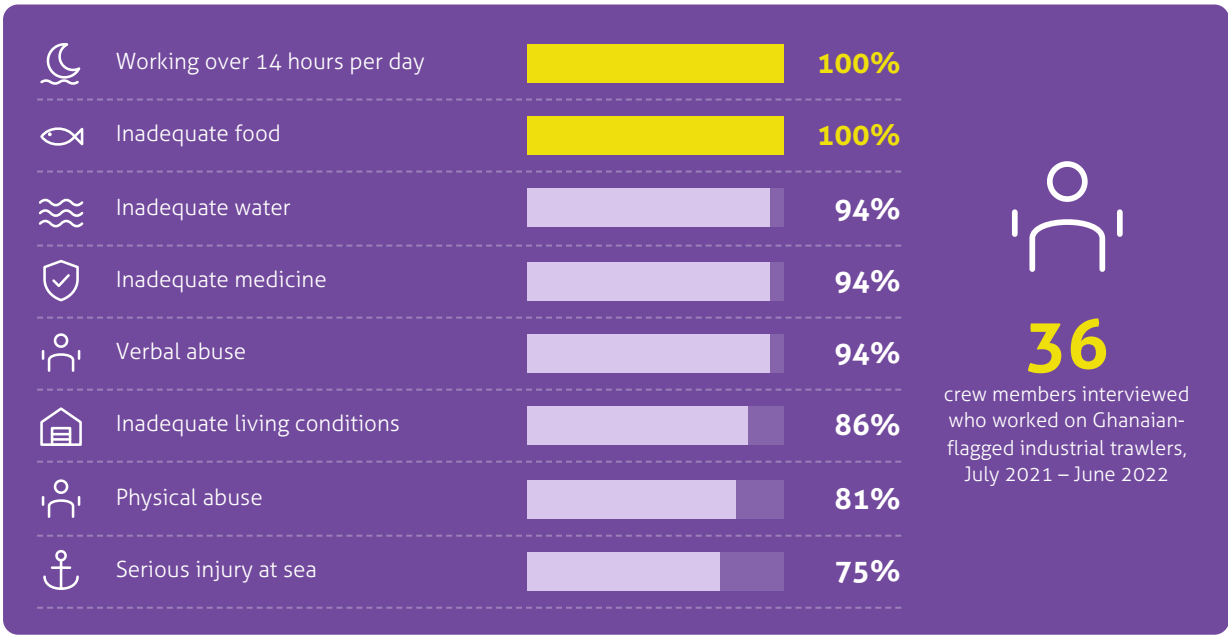
This analysis demonstrates that virtually all saiko fish landed are undersized, representing a direct loss of potential revenue to the state through tax and landing fee evasion and the destruction of future fishing value through recruitment overfishing.



5.4.2 Labour Exploitation and Human Rights Abuses

Aside from the direct IFF risks, the processing and transhipment phase is also characterized by widespread human rights abuses, which function as cost-reduction mechanisms that enable the profitability of IFFs. EJF's 2022 investigation documented the prevalence of these abuses:

Figure 5.2: Human Rights Abuses on Board Industrial Trawlers (% of crew witnessing)



One crew member described their working conditions in stark terms:

Crew testimony: *Conditions on board*

Key Element:



Conditions on board

"We don't sleep, we don't rest. We are no more than prisoners, I am telling you"

EJF, 2022, p. 13

Another crew member explained the disparity in conditions between the Ghanaian and Chinese crew:

Crew testimony: *Unequal treatment of crew*

Key Element:



Unequal treatment of crew

"They [the Chinese] were getting their own thing, they were getting everything. They get water to bathe, they have a poly tank that there is water in so they get water at the end of the day to bathe. Meanwhile, they don't do most of the work, they don't get closer to the fish, we blacks get closer to the fish … when we close at the end of the day we cannot even get water to bathe"

EJF, 2022, p. 15

These labour practices reduce operational costs for vessel owners, increasing the profitability of IUU operations and creating a workforce unable or unwilling to report illegal activities for fear of dismissal or violence. The absence of whistleblower protection mechanisms entrenches this silence, allowing IFFs to continue unchecked.

5.4.3 Post-Harvest Revenue Losses

The post-harvest sector, dominated by women fish processors and traders, also experiences IFF-related revenue losses. Value chain analysis of the semi-industrial fishery found that while each actor's Benefit-Cost Ratio exceeds 1.0, significant constraints inhibit development:

POST-HARVEST CONSTRAINTS

"The problems of lack of storage facilities, low profit and losses, health issues, insufficient capital, credit-based purchasing, and unstable fish prices were the major constraints inhibiting the development of the main actors in the value chain"

Gyimah, 2021, p. 6

The depletion of fish stocks due to IUU fishing directly impacts post-harvest actors. A 2021 EJF study found that over 90% of fishers interviewed had recorded a decline in catch in recent years, with between 80% and 90% of fishers and fish processors/traders reporting declining incomes (EJF, 2021). This represents a direct transfer of value from domestic actors to IUU operators.

The WARFP Terminal Evaluation noted that while the project supported improved fish smoking ovens that could generate significant economic benefits, estimated Net Present Value of US$3.4 million over ten years, the full potential of these benefits has not been realized due to the persistence of IUU fishing (WARFP Terminal Evaluation, 2020, p.12).

5.5 IFFs due to Gaps in Trade Reporting in the Fisheries Value Chain

The export and trade phase presents the most significant IFF opportunities through trade mispricing, under-invoicing, and the laundering of illegally caught fish into international markets.

5.5.1 Trade Mispricing and Under-Invoicing

Ghana's fish exports, valued at over US$140 million annually, are vulnerable to trade mispricing. The tuna subsector, as Ghana's largest seafood export, has been identified as particularly susceptible. Drury O'Neill et al.(2018) found:

> **ILLEGALITIES IN THE TUNA VALUE CHAIN**
>
> *"Considerable illegalities were identified within the value chain, highlighting the need for improved partnership and licensing negotiations, and for low-cost marine control and surveillance tools. As vertical integration increases within the industry, the influence of corporations as keystone actors becomes evident for the future social and ecological sustainability of the industry"*
>
> *O'Neill et al., 2018, p. 303*

The terminal evaluation of WARFP confirmed that the fisheries sector generates more than half of non-traditional export earnings in Ghana, with average annual export revenue exceeding US$140 million between 2014 and 2016 (World Bank, 2020, p. 12). However, the mechanism for capturing revenue from these exports is limited, with license fee revenue from the industrial fleet, which generates most of the exports, remaining below US$600,000 annually.

License fee revenue from the industrial fleet, which generates most of the exports, remains below US$600,000 annually.

5.5.2 Catch Certification Scheme Ineffectiveness

The Catch Documentation Scheme (CDS) established under L.I. 2217 was designed to prevent IUU-caught fish from entering international markets. However, crew testimony and investigative findings suggest it has proven ineffective. The EJF (2022) investigation found:

> **SAIKO DISGUISED AS BY-CATCH**
>
> *"Despite trawler licences dictating that they are only allowed to fish for demersal species, with a 15% by-catch allowance, crew testimony suggests that it is common for at least half, but often far more, of the fish landed to be saiko. This raises serious concerns about both the country's port controls and the observer scheme"*
>
> *EJF, 2022, p. 19*

The paper-based nature of the CDS, bureaucratic inefficiencies, and high risk of data fraud have been identified as key limitations (MoFAD, 2021). This enables IUU-caught fish to enter international markets, with the associated IFFs flowing through trade mispricing channels.

5.5.3 Foreign Exchange Repatriation

The repatriation of foreign exchange earnings from fish exports represents another significant IFF vulnerability. Despite requirements under the Exchange Control Act, 1961 (Act 71) that proceeds from fish exports be repatriated to Ghana, opaque ownership structures and the use of front companies

enable the diversion of export revenues.

EJF (2021) found that approximately 90% of Ghana's industrial trawl fleet is beneficially owned by Chinese interests, operating through Ghanaian front companies. This means much of the proceeds from fish exports travel outside the country and offer little or no benefit for the Ghanaian public:

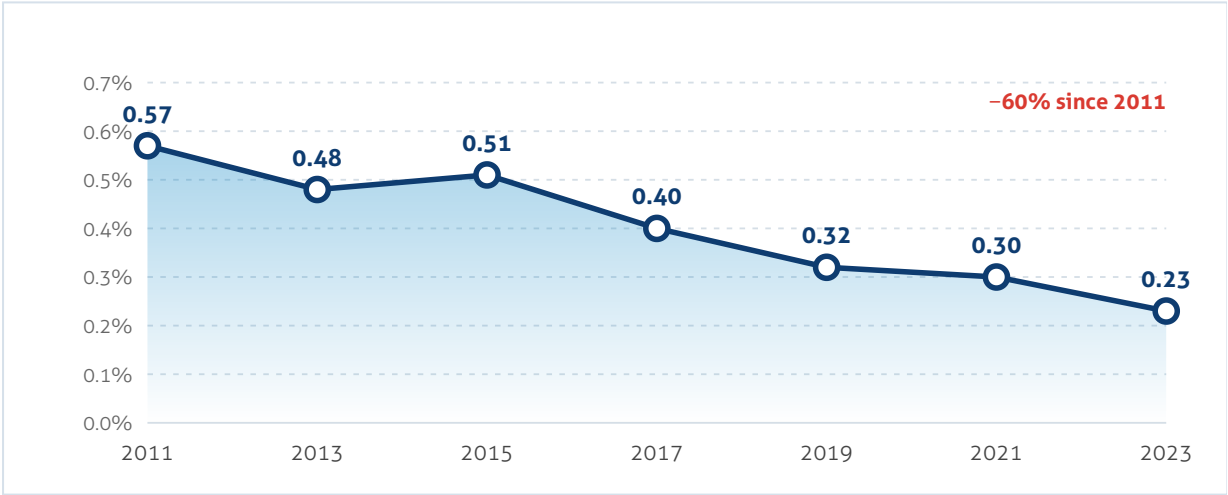
> **FOREIGN OWNERSHIP BEHIND THE GHANAIAN FLAG**
>
> *"Despite flying the flag of Ghana, EJF believes at least **90%** of the industrial vessels involved in these illegal practices are owned by large Chinese corporations - meaning much of the proceeds travel outside of the country and offer little or no benefit for the Ghanaian public"*
>
> *EJF, 2022, p. 4*

The opaque corporate structures used to obscure ownership also facilitate the evasion of foreign exchange controls and the repatriation of profits outside Ghana.

5.5.4 Export Revenue Losses

The cumulative effect of these IFF vulnerabilities on export revenue is substantial. FAO data show that Ghana's fisheries' contribution to GDP has declined consistently, from 0.57% in 2011 to 0.23% in 2023. While this decline reflects multiple factors, the persistent IFFs documented in this analysis suggest that a significant portion of potential revenue from the fisheries sector is being lost.

Figure 5.3: Fisheries Contribution to GDP, 2011–2023 (%)



This declining contribution to GDP coincides with increasing evidence of IUU fishing and IFFs documented in this analysis. While Ghana scores highly in implementing international instruments to combat IUU fishing (scoring 5 out of 5 in 2024), the gap between policy and practice suggests these instruments are not being effectively enforced.

The FAO data also shows that Ghana's implementation score for protecting access rights for small-scale fisheries has remained consistently high (5 out of 5), yet artisanal fishers continue to report declining catches and incomes due to industrial fleet incursions and IUU fishing.

5.6 Quantitative Estimation of IFF-Related Revenue Losses

Drawing on the secondary data sources analyzed in this chapter, it is possible to estimate the scale of IFF-related revenue losses along Ghana's fisheries value chain.

- **Capture Phase Losses:**
- License fee under-collection: Based on the WARFP Terminal Evaluation, Ghana collects approximately US$600,000 annually from industrial trawler license fees, compared to a potential US$7 million with a fee structure comparable to Sierra Leone (World Bank, 2020, p. 11). This represents an estimated annual loss of US$6.4 million.
- IUU fishing revenue loss: EJF (2021) estimates Ghana loses between US$14.4 million and US$23.7 million annually to IUU fishing, representing foregone government revenue from uncollected license fees, taxes, and penalties.
- **Processing and Transshipment Phase Losses:**
- Saiko trade value: EJF (2022) estimates the saiko trade is worth between US$14.4 and US$38.3 million annually, representing unreported economic activity and foregone tax revenue.
- Fine revenue loss: The WARFP Terminal Evaluation found that Ghana spent US$9.2 million on monitoring and surveillance while collecting less than US$2 million in fines, compared to Liberia's collection of US$6.5 million against US$2.5 million expenditure. This suggests a cost-recovery deficit of at least US$4 million.
- **Export and Trade Phase Losses:**
- Foreign exchange leakage: Given that approximately 90% of the industrial fleet is beneficially owned by foreign interests, a significant portion of the US$140 million+ in annual export revenue likely leaves Ghana without contributing to domestic revenue mobilization.
- Trade mispricing: While specific quantification is limited by data availability, the pervasive illegalities identified in the value chain (O'Neill et al., 2018) suggest substantial revenue loss through under-invoicing and misdeclaration.

Table 5.4: Estimated Annual IFF-Related Revenue Losses

IFF Channel	Estimated Annual Loss (USD)	Source
License fee under-collection	6,400,000	WARFP Terminal Evaluation, 2020
IUU fishing revenue loss	14,400,000–23,700,000	EJF, 2021
Saiko trade (foregone tax)	14,400,000–38,300,000	EJF, 2022
Cost-recovery deficit on fines	4,000,000+	WARFP Terminal Evaluation, 2020
Total (conservative estimate)	**39,200,000–72,400,000**	

5.7 Summary

Secondary data analysis reveals substantial and persistent IFF vulnerabilities across Ghana's fisheries value chain. In the capture phase, systematic IUU fishing practices, including illegal discarding, fishing in prohibited zones, and use of illegal gears, result in estimated annual revenue losses of US$14.4–23.7 million, while license fee under-collection compared to regional comparators costs Ghana an estimated US$6.4 million annually. In the processing and transshipment phase, the transformed "saiko" trade continues to operate in plain sight, evading port controls and generating US$14.4–38.3 million in

unreported economic activity annually. Human rights abuses on industrial trawlers, documented as affecting 75–100% of Ghanaian crew, reduce operational costs and sustain the profitability of IUU operations while creating a workforce unable to report illegalities. In the export phase, opaque beneficial ownership structures–with approximately 90% of the industrial fleet beneficially owned by foreign interests- facilitate the leakage of export revenues and foreign exchange earnings. The Catch Documentation Scheme has proven ineffective, allowing IUU-caught fish to enter international markets through trade mispricing.

The conservative combined estimate of IFF-related revenue losses is between US$39.2 million and US$72.4 million annually. This figure substantially exceeds the government's annual expenditure on fisheries monitoring, control, and surveillance, and represents a significant drain on domestic revenue that could otherwise support coastal communities and national development. The gap between Ghana's high scores on international fisheries instruments (5 out of 5) and the persistence of IFFs documented in this analysis underscores the critical implementation gap that will be further explored through primary survey data analysis in the subsequent section.

THE PRICE OF ILLICIT FLOWS

Estimated annual IFF-related revenue losses in Ghana's fisheries sector

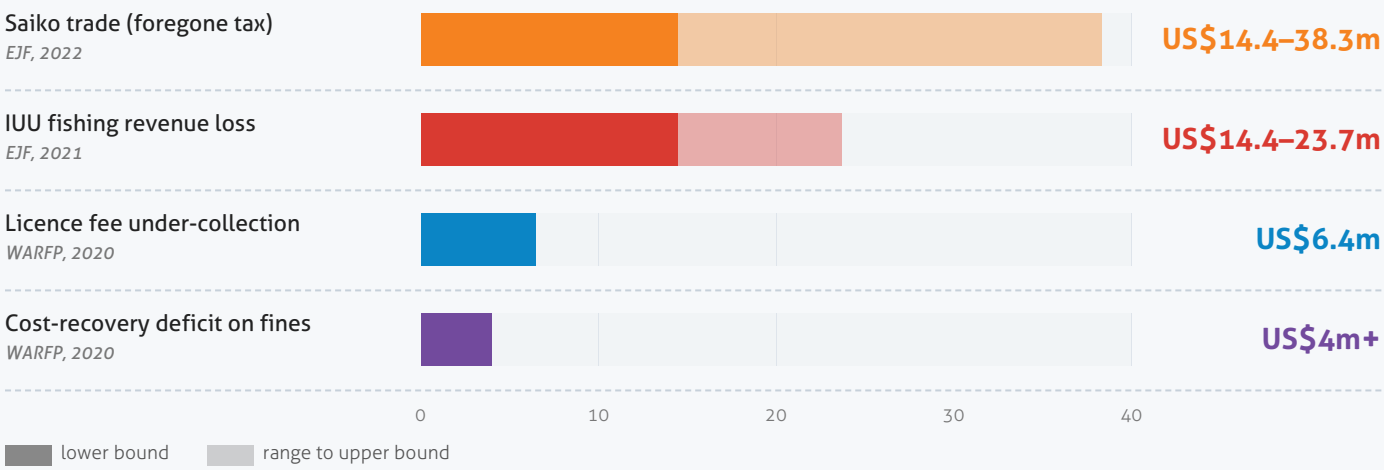
CONSERVATIVE COMBINED ESTIMATE

US$39.2–72.4m

lost every year – more than the government spends on fisheries monitoring, control and surveillance.



LOSSES BY CHANNEL (US$ MILLION PER YEAR)



GHANA AGAINST REGIONAL COMPARATORS

Annual licence fee revenue from similar trawler fleets

Ghana — < US$0.6m

Sierra Leone — > US$7m

2017 figures. A typical 200 GRT vessel pays US$7,000 a year to fish in Ghana.

Licence fee as a share of landing value

Ghana — 0.3%

Sierra Leone — 7%

Liberia — 10%

Typical 200 GRT industrial vessel.

Fines collected vs surveillance spending under WARFP

Ghana – fines — < US$2m

Ghana – MCS spend — US$9.2m

Liberia – fines — ~US$6.5m

Liberia – MCS spend — US$2.5m

Ghana recovered less than 22% of its surveillance costs.

Not yet counted: trade mispricing and foreign-exchange leakage from more than US$140 million in annual exports, with ~90% of the industrial fleet beneficially owned abroad. The actual loss is likely substantially higher.

CHAPTER SIX

6 SUMMARY OF FINDINGS AND POLICY RECOMMENDATIONS

6.1 Summary of Findings

This study examined the risks of Illicit Financial Flows (IFFs) along Ghana's fisheries value chain and their implications for domestic revenue mobilization (DRM). Through a mixed-methods approach combining secondary data analysis from FAO statistics, World Bank reports, Environmental Justice Foundation (EJF) investigations, and value chain studies, the research reveals substantial and persistent IFF vulnerabilities across the capture, processing, and export phases of the value chain.

6.1.1 Key Findings on IFF Vulnerabilities

Capture Phase Vulnerabilities: The analysis reveals that IUU fishing represents the most significant IFF channel in the capture phase. EJF investigations documented that 92% of crew interviewed had witnessed the dumping of commercially undesirable fish overboard, 81% had witnessed vessels fishing illegally in the Inshore Exclusion Zone (IEZ) reserved for artisanal fishers, and 53% had seen deliberate manipulation of mesh sizes to reduce catch selectivity. The "saiko" transshipment trade, involving the illegal transfer of fish from industrial trawlers to artisanal canoes, has persisted despite government bans. While at-sea transshipment largely stopped in September 2021, the trade transformed, with saiko fish now placed in cartons and sold openly at Tema port, evading port controls and revenue collection.

The scale of this IFF channel is substantial. EJF and Hen Mpoano (2019) estimated that approximately 100,000 metric tonnes of fish were traded illegally through saiko in 2017, with a landed market value of between US$50 and US$80 million. Analysis of saiko blocks purchased between January and June 2022 revealed that virtually all fish landed were undersized, with species such as Canary Dentex, Round Sardinella, Atlantic Chub Mackerel, and Bluespotted Seabream showing 100% undersized catches. This represents a direct loss of potential revenue from tax evasion and landing fees, and the destruction of future fishing value through recruitment overfishing.

License Fee Under-Collection: The Implementation Completion and Results Report (ICR) for the West Africa Regional Fisheries Program (WARFP) revealed that Ghana's license fee structure is substantially below regional comparators. A typical 200 GRT industrial vessel pays US$7,000 a year to fish in Ghana, representing about 0.3% of the landing value, compared to 7% in Sierra Leone and 10% in Liberia. Annual license fee revenue from the industrial fleet remained less than US$600,000, while Sierra Leone collected over US$7 million with a similar number of trawlers. This represents a direct revenue loss to the state estimated at millions of dollars annually.

Processing and Transshipment Phase Vulnerabilities: The saiko trade remains the most significant IFF vulnerability in this phase. Despite government action to halt at-sea transshipment in September 2021, the trade has grown more brazen. Crew testimony indicates that vessel operators have adapted their methods to evade detection, including turning off lights and disabling tracking devices during incursions into the IEZ. A recent study in *Marine Policy* found that the state has emerged as an important actor in the strategic repositioning of saiko, yet this repositioning has occurred without careful attention to the highly uneven and asymmetrical power relations in the fishing industry. Profits from the saiko fish trade are concentrated in the hands of a few people, with macro-political factors accounting for the practice's persistence.

Human rights abuses on board industrial trawlers are used as cost-cutting measures to enable the profitability of IFFs. EJF's 2022 investigation documented that 100% of crew worked over 14 hours per day, 100% reported inadequate food, 94% inadequate water, 94% verbal abuse, 81% physical abuse, and 75% serious injuries at sea. These labor practices reduce operational costs for vessel owners, increasing the profitability of IUU operations while creating a workforce unable or unwilling to report illegal activities for fear of dismissal or violence.

Export and Trade Phase Vulnerabilities: The export phase presents the most significant IFF opportunities through trade mispricing, under-invoicing, and the laundering of illegally caught fish in international markets. Approximately 90% of Ghana's industrial trawl fleet is beneficially owned by foreign interests, predominantly Chinese corporations, operating through Ghanaian front companies. This means that much of the proceeds from fish exports leave the country, offering little or no benefit to the Ghanaian public. The GNA (2022) reported that the fishing industry is one of the sectors with endemic illicit financial flows, in which Ghanaians front for foreign companies and register vessels in the names of local companies, concealing proceeds and transferring funds abroad to pay for the vessels.

The Catch Documentation Scheme established under L.I. 2217 has proven ineffective due to paper-based systems, bureaucratic inefficiencies, and a high risk of data fraud. Despite trawler licenses dictating a 15% by-catch allowance, crew testimony suggests that at least half, far more, of the fish landed are saiko, raising serious concerns about port controls and the observer scheme

6.1.2 Quantitative Estimation of IFF-Related Revenue Losses

Drawing on the secondary data sources analyzed, the conservative combined estimate of IFF-related revenue losses in Ghana's fisheries sector is between US$39.2 million and US$72.4 million annually. This includes:

- **License fee under-collection**: US$6.4 million annually (based on comparison with Sierra Leone's fee structure)
- **IUU fishing revenue loss**: US$14.4–23.7 million annually (EJF, 2021)
- **Saiko trade (foregone tax)**: US$14.4–38.3 million annually (EJF, 2022)
- **Cost-recovery deficit on fines**: US$4+ million annually (WARFP ICR)

This figure substantially exceeds the government's annual expenditure on fisheries monitoring, control, and surveillance, and represents a significant drain on domestic revenue that could otherwise support coastal communities and national development. FAO data on fisheries contribution to GDP shows a consistent decline, from 0.57% in 2011 to 0.23% in 2023. While Ghana scores highly in implementing international instruments to combat IUU fishing (scoring 5 out of 5 in 2024) and protecting access rights for small-scale fisheries (scoring 5 out of 5), the gap between policy and practice suggests these instruments are not being effectively enforced.

6.1.3 Key Findings on Governance and Enforcement Gaps

The analysis identified several critical governance and enforcement gaps that facilitate IFFs:

1. **Weak enforcement of existing laws:** Despite high statutory fines, out-of-court settlements and Alternative Dispute Resolution mechanisms result in significantly reduced penalties that do not deter repeat offenders. The WARFP ICR found that Ghana spent US$9.2 million on monitoring and surveillance while collecting less than US$2 million in fines, a cost-recovery ratio of less than 22%.

2. **Corruption and bribery:** The US Department of State (2021) noted that corruption exists across all branches of government with complete impunity. 86% of crew members interviewed by EJF had witnessed corruption involving observers, port authorities, or the navy, with boxes of high-value demersal species serving as the main currency of corruption.
3. **Opaque beneficial ownership:** Approximately 90% of the industrial fleet is beneficially owned by foreign interests through Ghanaian front companies, undermining enforcement efforts and enabling tax evasion.

The gap between policy and practice suggests these instruments are not being effectively enforced.

4. **Inadequate monitoring, control, and surveillance capacity:** The NPOA-IUU acknowledges inadequate electronic monitoring coverage, low MCS skills, insufficient staff, and inadequate follow-up on suspicious fishing activities. The Fisheries Enforcement Unit lacks adequate resources to enforce the law across Ghana's Exclusive Economic Zone.
5. **Premix fuel subsidy diversion:** The subsidized premix fuel program has become an IFF channel through diversion, fraud, and corruption. The fisheries minister has announced reforms, including direct supply from Tema Oil Refinery and automated premix stations, with 22.41 million liters supplied between January and June 2026, representing a 58% increase over the same period in 2025.

6.2 Policy Recommendations

Based on the findings of this study, the following policy recommendations are proposed to strengthen domestic revenue mobilization and combat IFFs in Ghana's fisheries sector.

6.2.1 Strengthening Legal and Regulatory Frameworks

Fully Implement the Fisheries and Aquaculture Act, 2025 (Act 1146)

The passage of the Fisheries and Aquaculture Act, 2025 (Act 1146), represents a significant milestone in fisheries governance. The Act establishes a dedicated Fisheries Enforcement Unit, creates a Fisheries and Aquaculture Development Fund, introduces aquaculture development zones, strengthens action against illegal fishing, and extends Ghana's Inshore Exclusion Zone to twelve nautical miles. Full implementation of this Act, including adequate resourcing of the Enforcement Unit and transparent management of the Development Fund, should be prioritized.

Review and Strengthen Penalties for Fisheries Offenses

The study finds that current penalties for fisheries offenses are ineffective deterrents. The government should review the sanctioning regime to ensure penalties are proportionate, effective, and dissuasive. The Maritime Action Platform II recommended that "financial penalties associated with infractions to these laws should be reviewed upwards to deter would-be perpetrators". Specifically, the use of out-of-court settlements should be restricted, and the Minister's discretionary powers to compound offenses should be limited to ensure transparency and consistency.

Mandate Beneficial Ownership Disclosure and Public Registry

Despite Ghanaian law prohibiting foreign ownership of industrial trawl vessels, approximately 90% of the fleet is beneficially owned by foreign interests through front companies. The government should mandate public disclosure of beneficial ownership for all fishing vessels, as recommended by the Maritime Action Platform II, which called for provisions in maritime laws against the disconnection of Automatic Information Systems and for standardization of national legislation in the sub-region. A publicly accessible beneficial ownership registry would enable enforcement agencies and civil society to identify and hold accountable the true owners of vessels engaged in IUU fishing and IFFs.

6.2.2 Enhancing Monitoring, Control, and Surveillance (MCS)

Invest in Electronic Monitoring and Surveillance Technology

The study finds that inadequate MCS capacity directly facilitates IFFs by allowing illegal activities to go undetected. The government should invest in expanding and upgrading surveillance technology, including:

- Full deployment of Vessel Monitoring Systems (VMS) on all industrial and semi-industrial vessels
- Installation of on-board CCTV and other remote electronic monitoring techniques to supplement the observer programme
- Use of Windward maritime monitoring tools in conjunction with other platforms for intelligence gathering and monitoring of activities at sea
- Regional VMS information sharing through the Fisheries Committee for the West Central Gulf of Guinea (FCWC)

The Maritime Action Platform II recommended that "ECOWAS Member States should make use of the technical expertise, tools, intelligence, and investigative support available from international and regional institutions". Ghana should fully leverage partnerships with MAOC (N), INTERPOL, and other international bodies to enhance surveillance capacity.

Strengthen the Fisheries Observer Programme

The observer programme has been undermined by bribery, intimidation, and threats. The government should:

- Enhance observer protection mechanisms to enable safe and anonymous reporting of illegalities
- Increase remuneration for observers to reduce incentives for bribery
- Establish whistleblower protection mechanisms for both observers and crew members
- Consider deploying on-board CCTV as a complement to the observer programme

The Maritime Action Platform II recommended that "national agencies responsible for maritime security should engage, sensitize and build the capacities of local communities, coastal communities and fisherfolk to gain their collaboration in reporting illicit activities

6.2.3 Combating Corruption and IFFs

Establish a Dedicated Fisheries Anti-Corruption Unit

The pervasive corruption documented in this study requires a dedicated institutional response. The government should establish a specialised anti-corruption unit within the Fisheries Commission or the Economic and Organised Crime Office (EOCO) with a specific mandate to investigate and prosecute corruption in the fisheries sector. This unit should:

- Conduct unannounced audits and interventions, modeled on Thailand's "IUU hunter" approach
- Investigate bribery of observers, port authorities, and navy personnel
- Track and recover assets derived from fisheries corruption
- Collaborating with the Financial Intelligence Center (FIC) on financial investigations

Strengthening Inter-Agency Coordination

The fragmented enforcement architecture creates gaps that illegal operators exploit. The government should:

- Fully operationalise the proposed Maritime Fusion Centre to integrate data from the Fisheries Commission, Ghana Maritime Authority, Ghana Navy, Marine Police, and other stakeholders
- Establish clear protocols for joint patrols and information sharing
- Create a national fisheries intelligence database accessible to all enforcement agencies
- Strengthening collaboration with the FCWC West Africa Task Force (WATF) for regional intelligence sharing

The Maritime Action Platform II recommended that "ECOWAS Member States should strengthen the enforcement of fisheries laws and enhance Blue Economy technology" and that "maritime officials in neighboring countries should be conversant with each other's maritime legal frameworks".

Enhance Financial Investigations and Asset Recovery

The study finds that limited financial investigation capacity undermines the recovery of IFF proceeds. The government should:

- Train fisheries enforcement personnel in financial investigation techniques
- Strengthening collaboration between the Fisheries Commission, FIC, EOCO, and the Office of the Special Prosecutor
- Establish clear guidelines on the management of confiscated assets derived from fisheries crimes towards funding programmes and actions to combat such crimes
- Develop asset forfeiture frameworks specifically tailored to fisheries crimes

The Maritime Action Platform II recommended that the ECOWAS Commission "provide a legal framework on the confiscation of assets of perpetrators gained from the proceeds of various trafficking offenses" and that "national law enforcement agencies should investigate the linkage between organized crime and supposed clean companies and vessels"

6.2.4 Reforming the Premix Fuel Subsidy Regime

Implement Comprehensive Premix Fuel Reforms

The premix fuel subsidy regime has become a significant IFF channel through diversion, fraud, and corruption. The government should:

- Accelerate the rollout of automated premix dispensing stations to reduce opportunities for diversion and hoarding
- Ensure transparent accounting for proceeds from premix fuel sales, with 53% of proceeds channeled into community development projects as required by regulations
- Strengthening oversight of Premix Fuel Committees to prevent political interference and corruption
- Consider transitioning from in-kind subsidies to direct financial support to fisherfolk, enabling more transparent and targeted assistance

The Fisheries Ministry has announced significant progress: 22.41 million liters supplied between January and June 2026, a 58% increase. However, audits across 42 fisheries districts uncovered weaknesses, including delayed deposits, poor bookkeeping, and unauthorized expenditure. These issues must be addressed through financial management training and stronger monitoring systems.

6.2.5 Strengthening Transparency and Accountability

Implement Fisheries Transparency Initiative (FiTI) Recommendations

The FiTI 2023 transparency assessment found that while Ghana collects considerable fisheries data, most remains inaccessible. The government should:

- Systematically publish key fisheries information, including vessel registers, licence fees, access agreements, and stock assessment data
- Publish regular reports on the economic and social importance of the fishing sector, including estimates of employment and the role of women
- Disclose public revenues from the fisheries sector, including fees paid by industrial fishing companies
- Fully implement the Right to Information Act, 2019 (Act 989) in the fisheries sector

The Multi-Stakeholder Group (MSG) inaugurated in July 2025 to implement the FiTI should be adequately resourced and its recommendations implemented.

Engage Civil Society and Communities as Watchdogs

Civil society organisations play a critical role as watchdogs on fisheries governance. The government should:

- Involve civil society organisations in monitoring fisheries enforcement and revenue collection
- Support community-based fisheries management committees
- Establish confidential reporting mechanisms for illegal activities and corruption

- Ensure that the "Community Accountability Series" for premix fuel management is fully implemented and transparent

The Maritime Action Platform II recommended that "civil society in the ECOWAS sub-region should advocate for the passing of the supplementary act on narcotics trafficking and IUU fishing"

6.2.6 Strengthening International and Regional Cooperation

Deepen Regional and International Partnerships

The transnational nature of IFFs requires robust regional and international cooperation. The government should:

- Deepen collaboration with international organisations including UNESCO, and Blue Ventures Conservation
- Strengthening partnerships with the FCWC and the West Africa Task Force
- Collaborate with INTERPOL to strengthen law enforcement processes between source, transit, and destination countries
- Build capacities of parliamentary committees on maritime security, fisheries management, and narcotics control

The Fisheries Minister has called for stronger African cooperation in fisheries and aquaculture, noting that "closer collaboration among African states would help shape the future of aquatic food systems and improve food security". This includes aligning policies and increasing investment across the continent.

Advocate for Harmonised Regional Legal Frameworks

The Maritime Action Platform II recommended that "the ECOWAS Commission should produce a standard legal framework or a model law on addressing present and future forms of trafficking to be adopted by all Member States by aligning their national legislation to the sub-regional standard". Ghana should actively participate in developing and adopting such frameworks, including:

- Harmonised sanctions for IUU fishing across the region
- Standardised provisions against the disconnection of Automatic Information Systems
- Model laws on asset confiscation for fisheries crimes

6.2.7 Enhancing Domestic Revenue Mobilization

Review and Harmonise Fisheries Taxation

The study finds that current licence fees and taxation structures are below regional comparators and fail to capture the value of fisheries resources. The government should:

- Review and substantially increase licence fees for industrial fishing vessels, aligning with regional comparators such as Sierra Leone and Liberia
- Consider introducing a Fish Conservation Tax on all fish landed and imported, as proposed by industry stakeholders
- Strengthening the Catch Documentation Scheme to prevent IUU-caught fish from entering international markets

- Improve tax administration and compliance monitoring in the fisheries sector

The proposal by industry stakeholders for a 1% Fish Conservation Tax, if properly collected at ports and landing sites, could generate significant revenue for stock monitoring, enforcement, training, safety-at-sea, and aquaculture innovation.

Develop the Blue Economy

The government's Blue Economy Strategy provides an opportunity to unlock sustainable revenue streams from Ghana's marine resources. The government should:

- Accelerate implementation of the national Blue Economy Strategy
- Establish the proposed Blue Economy Commission
- Expand aquaculture through the Komfueku Aquaculture Project and community-based commercial aquaculture
- Develop offshore mariculture systems for high-value marine species
- Invest in fisheries infrastructure, including the Ghana Fisheries Institute at Anomabo, which is about 70% complete

The Fisheries Ministry noted that the Blue Economy Strategy "covers marine, inland and wetland ecosystems and focuses on economic growth, environmental sustainability, knowledge, equity and security"

6.3 Conclusion

This study has documented substantial and persistent IFF vulnerabilities throughout Ghana's fisheries value chain, resulting in estimated annual revenue losses of between US$39.2 million and US$72.4 million. These losses represent a significant drain on domestic revenue that could otherwise support coastal communities and national development. The gap between Ghana's high scores on international fisheries instruments and the persistence of IFFs underscores the critical implementation gap that must be addressed.

These resources belong to the people of Ghana.

The Fisheries and Aquaculture Act, 2025 (Act 1146), the national Blue Economy Strategy, and the commitments to the Fisheries Transparency Initiative provide a strong foundation for reform. However, success will depend on sustained enforcement, community participation, transparency, and continued investment in science, infrastructure, and innovation. The Fisheries Ministry has rightly noted that "government does not own Ghana's fisheries resources. These resources belong to the people of Ghana. We have simply been entrusted with the responsibility of managing them wisely, protecting them responsibly and ensuring that they continue to sustain livelihoods and nourish generations yet unborn".

The recommendations in this chapter offer a pathway to strengthening domestic revenue mobilization and combating IFFs in Ghana's fisheries sector. Addressing IFFs in the fisheries sector requires a comprehensive approach that combines legal reforms, enhanced enforcement, anti-corruption measures, transparency initiatives, and regional cooperation. Protecting fisheries is not only an environmental imperative but also a social and economic necessity. Sustainable fisheries management can secure decent jobs, strengthen rural economies, empower women in the fisheries value chain, and support Ghana's transition to a resilient Blue Economy. By working collectively to conserve marine

resources while expanding responsible fish production, Ghana has an opportunity to ensure that future generations inherit thriving fisheries that continue to feed the nation and drive inclusive economic growth.



REFERENCES

Abille, A. B., & Siranova, M. (2025). Capital flight and sovereign bond spreads in Africa: Implications for public debt sustainability. *Economic Change and Restructuring, 58*(4), 59.

ACEP. (2025, January 15). *Downstream Petroleum Products Taxation: A Call to Action.* https://acep.africa/downstream-petroleum-products-taxation-a-call-to-action/

Adams, A. (2026, February 4). 'Galamsey' at Sea: 'Power' robbing local fishers of their subsistence. *News Guide Africa.* https://newsguideafrica.com/galamsey-at-sea-power-robbing-local-fishers-of-their-subsistence-2/

Appiah, S., Antwi-Asare, T. O., Agyire-Tettey, F. K., Abbey, E., Kuwornu, J. K. M., Cole, S., & Chimatiro, S. K. (2021). Livelihood Vulnerabilities Among Women in Small-Scale Fisheries in Ghana. *The European Journal of Development Research, 33*(6), 1596–1624. https://doi.org/10.1057/s41287-020-00307-7

Baker, R. W. (2005). *Capitalism's Achilles heel: Dirty money and how to renew the free-market system.* John Wiley & Sons.

BoG. (2008). *THE FISHING SUB-SECTOR AND GHANA'S ECONOMY.*

Bonsu, D., Afoakwah, R., & Effah, E. (2018). *A Guide on Illegal Fishing Activities in Ghana.* https://doi.org/10.13140/RG.2.2.33116.00642

Cobham, A., & Janský, P. (2018). Global distribution of revenue loss from corporate tax avoidance: Re-estimation and country results. *Journal of International Development, 30*(2), 206–232. https://doi.org/10.1002/jid.3348

Collin, M. (2020). Illicit Financial Flows: Concepts, Measurement, and Evidence. *The World Bank Research Observer, 35*(1), 44–86. https://doi.org/10.1093/wbro/lkz007

Delatte, A.-L., Guillin, A., & Vicard, V. (2022). Grey zones in global finance: The distorted geography of cross-border investments. *Journal of International Money and Finance, 120*, 102540. https://doi.org/10.1016/j.jimonfin.2021.102540

Doumbouya, A., Camara, O. T., Mamie, J., Intchama, J. F., Jarra, A., Ceesay, S., Guèye, A., Ndiaye, D., Beibou, E., & Padilla, A. (2017). Assessing the effectiveness of monitoring control and surveillance of illegal fishing: The case of West Africa. *Frontiers in Marine Science, 4*, 50.

Dovlo, E., Amador, K., & Nkrumah, B. (2016). *Report on the 2016 Ghana marine canoe frame survey (Information Report No.36). Fisheries Scientific Survey Division, Fisheries Commission, Ministry of Fisheries and Aquaculture Development.*

Ecofin Agency. (2026). *Ghana Launches WTO-Backed Program to Crack Down on Illegal Fishing.* Ecofin Agency. https://www.ecofinagency.com/news-agriculture/2105-55782-ghana-launches-wto-backed-program-to-crack-down-on-illegal-fishing

EJF. (2020a). *Fear, hunger and violence: Human rights in Ghana's industrial trawl....* Environmental Justice Foundation. https://ejfoundation.org/reports/fear-hunger-and-violence-human-rights-in-ghanas-industrial-trawl-fleet

EJF. (2020b). *Legal opinion on the engagement of foreign companies in Ghana's....* Environmental Justice Foundation. https://ejfoundation.org/reports/legal-opinion-on-the-engagement-of-foreign-companies-in-ghanas-industrial-trawl-sector

EJF. (2021a). *At what cost? How Ghana is losing out in fishing arrangements with....* Environmental Justice Foundation. https://ejfoundation.org/reports/at-what-cost-how-ghana-is-losing-out-in-fishing-arrangements-with-chinas-distant-water-fleet

EJF. (2021b). *Ghana losing millions of dollars as Chinese fishing trawlers hide....* Environmental Justice Foundation. https://ejfoundation.org/news-media/ghana-losing-millions-of-dollars-in-revenue-as-chinese-fishing-trawlers-hide

EJF. (2022). *On the precipice: Crime and corruption in Ghana's Chinese-owned....* Environmental Justice Foundation. https://ejfoundation.org/reports/on-the-precipice-crime-and-corruption-in-ghanas-chinese-owned-trawler-fleet

Fact Check Ghana. (2023, September 8). Illicit financial flows (IFFs): What you should know. *Fact Check Ghana.* https://www.fact-checkghana.com/illicit-financial-flows-iffs-what-you-should-know/

FAO. (2016). *Fishery and aquaculture country profiles: Ghana.*

FCWC. (2018a). *Revised Regional Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (RPOA-IUU).*

FCWC. (2018b). *Revised Regional Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (RPOA-IUU).*

FIC. (2024). *Money laundering and terrorism financing (ML/TF) risk assessment for environmental and natural resources crime.*

Fisheries Commission. (2022). *2021 Annual performance report. Ministry of Fisheries and Aquaculture Development.*

FiTI. (2023a). *Taking Stock: Transparency Assessment for Ghana. Fisheries Transparency Initiative.*

FiTI. (2023b, April 24). *Ghana not data deficient, but shows significant transparency deficits for its marine fisheries sector, new assessment shows–FiTI - Fisheries Transparency Initiative.* https://fiti.global/taking-stock-assessment-for-ghana

FiTI. (2025). *Ghana inaugurates National Multi-Stakeholder Group (MSG) for fisheries transparency.*

GEPA. (2021). *Report on the analysis of non-traditional export statistics 2020.*

GFI. (2020). *Illicit Financial Flows and Trade Mispricing.*

GhanaWeb. (2026, February 20). *Premix sector records GH₵27 million in irregularities–Fisheries Minister.* GhanaWeb. https://www.ghanaweb.com/GhanaHomePage/business/Premix-sector-records-GH-27million-in-irregularities-Fisheries-Minister-2022541

GNA. (2022, December 18). Illicit Financial Flows in Fishing industry, forex bureau, imports and exports take nosedive. *Ghana News Agency.* https://gna.org.gh/2022/12/illicit-financial-flows-in-fishing-industry-forex-bureau-imports-and-exports-take-nosedive/

Graphic Online. (2025, October 9). *Ghana loses $200m to foreign fishing vessels' illegal operations.* Graphic Online. https://www.graphic.com.gh/news/general-news/ghana-news-ghana-loses-200m-to-foreign-fishing-vessels-illegal-operations.html

GSS. (2022). *Newsletter: Quarterly gross domestic product (QGDP) second quarter 2022*.

Igbatayo, S. (2019). Combating illicit financial flows from Africa's extractive industries and implications for good governance. *Africa Development/Afrique et Développement*, *44*(3), 55–86.

Mapedza, E., Buisson, M., Zane, G., Appiah, S., Asmah, R., Ahiah, L., & Mensah, E. T. (2024). *Review of fisheries and aquaculture policies in Ghana: Technical report.* https://hdl.handle.net/20.500.12348/6448

MoFA. (2025). *2025 Mid-Year Fiscal Policy Review of the Government of Ghana for the 2025 Financial Year.*

MoFAD. (2021). *National Plan of Action to Prevent, Deter, and Eliminate Illegal, Unreported and Unregulated Fishing (NPOA-IUU) 2021-2025*.

MoFAD. (2022). *NATIONAL FISHERIES AND AQUACULTURE POLICY.*

Mongabay. (2025, August 22). Ghana passes landmark legislation to protect artisanal fisheries. *Conservation News.* https://news.mongabay.com/2025/08/ghana-passes-landmark-legislation-to-protect-artisanal-fisheries/

Mutimukuru-Maravanyika, T., Asare, C., Ameyaw, G., Mills, D., & Agbogah, K. (2013). *Ghana coastal fisheries governance dialogue: Developing options for a legal framework for fisheries co-management in Ghana.* WorldFish.

Ndikumana, L., & Boyce, J. K. (2011). Capital flight from sub-Saharan Africa: Linkages with external borrowing and policy options. *International Review of Applied Economics*, *25*(2), 149–170.

Nuotuo, C. O. N., Yildiz, K. A., & Neat, F. (2025). Governance implications of the world trade organization agreement on fisheries subsidies for ghana's marine small-scale fisheries. *Maritime Studies*, *24*(4), 67. https://doi.org/10.1007/s40152-025-00458-5

OECD. (2014). *Better Policing for Development 2014: Policy Coherence and Illicit Financial Flows.*

O'Neill, E. D., Asare, N. K., & Aheto, D. W. (2018). Socioeconomic dynamics of the Ghanaian tuna industry: A value-chain approach to understanding aspects of global fisheries. *African Journal of Marine Science*, *40*(3), 303–313.

Owusu, V., Essien, R. S., & Adjei, M. (2025). The same old story:'Saiko'practices and coastal livelihoods in Ghana's small-scale fisheries. *Marine Policy*, *173*, 106573.

SeaFood Media. (2025). *Ghana Parliament Passes Landmark Fisheries Bill to Combat IUU Fishing and Boost Sustainability.* https://www.seafood.media/fis/worldnews/worldnews.asp?monthyear=7-2025&day=18&id=135207&l=e&country=&special=&ndb=1&df=1

Tobey, J., Normanyo, A., Osei, P., Beran, K., & Crawford, B. (2016). Subsidies in Ghana's marine artisanal fisheries sector. *USAID/Ghana Sustainable Fisheries Management Project (SFMP). Narragansett, RI: Coastal Resources Center, Graduate School of Oceanography, University of Rhode Island. GH2014_POL059_CRC*, 53.

UN, G. (1982). *United Nations convention on the law of the sea.*

UNECA. (2015). *Illicit Financial Flows: Report of the High Level Panel on Illicit Financial Flows from Africa.*

UNODC. (2020). *Conceptual framework for the statistical measurement of illicit financial flows. United Nations.*

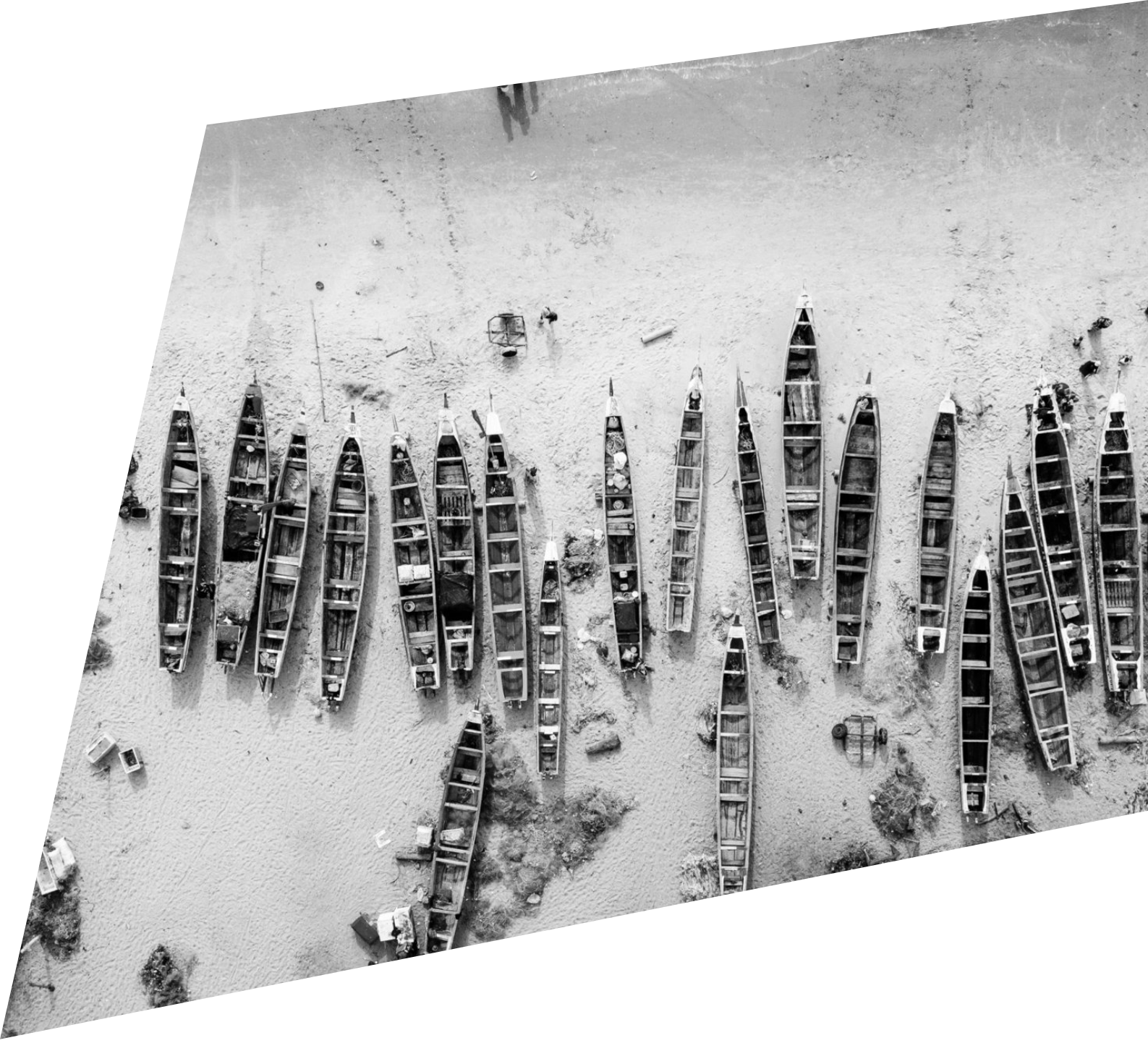
Vondolia, K. (2018, December 4). *The Fisheries Sector in Ghana: A Political Economy Analysis.* NUPI. https://www.nupi.no/en/publications/cristin-pub/the-fisheries-sector-in-ghana-a-political-economy-analysis

World Bank. (2020a). *Ghana Country Environmental Analysis.* World Bank, Washington, DC. https://doi.org/10.1596/33726

World Bank. (2020b). *Report on Ghana Country Environmental Analysis.*

WTO. (2022). *WTO Agreement on Fisheries Subsidies enters into force.* https://www.wto.org/english/news_e/news25_e/fish_15sep25_e.htm

Yakubu, S. (2022). *Illegal, Unreported, and Unregulated Fishing is a Threat to Ghana's Maritime Security. The Need to Strengthen Existing Mechanisms.*



Illicit Financial Flows Risks in Ghana's Fisheries Sector and Its Implications for Domestic Revenue Mobilization

October 2026

ISODEC
Integrated Social Development Centre

Global Financial Integrity

Contact: comms@gfintegrity.org